

# FINANCIAL TIMES

Europe's Business Newspaper

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## Matsushita and Sony report big cuts in profits

Matsushita and Sony, two of the world's leading consumer electronics companies, reported sharp declines in pre-tax profits for the year ended March as demand continued to be severely depressed. They expected little improvement this year. Matsushita reported a 54 per cent fall to ¥168.4bn (\$1.52bn) and Sony saw a 57 per cent drop to ¥92.6bn. Page 19

## Sterling rises on hopes of UK recovery

A fall in UK unemployment and deceleration in wage inflation revived hopes that the economy was recovering. The pound rose in London, which closed at DM2.51, a four-month high. The number of people out of work and claiming benefit shrank by 1,400 last month to 2,939,600 or 10.5 per cent of the workforce. Page 7; Editorial Comment, Page 17; Yes may mean no for D-Mark, Page 18; Currencies, Page 46

**Belfast bomb blast:** A 1,000lb IRA truck bomb exploded in central Belfast injuring at least 20 people and badly damaging the Grand Opera House, which had recently been repaired after a previous blast. Page 8

**Westpac losses:** Troubled Australian banking group Westpac Banking Corporation reported a half-year loss of A\$204.6m (US\$146m) because of debt write-offs of almost A\$800m. Page 22

**Nadir's escape:** Briton Peter Dimond, the man who helped fugitive Asil Nadir jump his £3m bail, rejected claims from British police that a "Mr Big" had masterminded the Turkish Cypriot businessman's escape from England. Page 8

**No air crash survivors:** Colombian rescue helicopters found the wreckage of a Colombia Boeing 727-100 which crashed into a jungle-covered mountain killing 132 people aboard.

**British Gas results weaker:** First quarter profits at British Gas slipped by £2m to £66m (\$1bn) because of increased competition and regulatory pressure. The company said it might have to shed 15,000 jobs - 20 per cent of its workforce - over the next two years. Page 14; News, Page 18

**BT share sales:** The marketing campaign for the UK government's remaining shares in British Telecommunications will be launched on Monday. The Treasury is expected to sell its 21.9 per cent holding, valued at more than £5bn (\$7.7bn), in mid-July. Page 19

**Navistar improves:** US truck and engine maker Navistar International reported net profits of \$8m in the second quarter, against a net loss of \$35m in the same quarter of 1992, because of a surge in medium and heavy truck sales. Page 19

**Ukraine crisis:** Ukraine president Leonid Kravchuk sought to be appointed head of government, a position held by prime minister Leonid Kuchma, who had earlier launched a campaign for an extended remit. Parliament is expected to decide the issue today. Page 3

**French magazine to close:** Marie-France, French monthly fashion magazine owned by Bauer of Germany, is to close in July because of falling advertising revenue. Sales of more than 500,000 in the 1970s slipped last year to below 250,000.

**China's HK olive branch:** Sino-British talks on the future of Hong Kong resume in Beijing today with China offering hope of thawing relations with the UK. Page 6; Observer, Page 17

**Spanish banks threat:** Spain's ruling regional parties, the Basque PNV and the Catalan CiU, have threatened to set up public banks - a move which could greatly increase the regions' financial autonomy. Page 2

**EC policy hurts Africans:** EC subsidies for beef exports to West Africa are destroying the livelihoods of 4m people who rely on cattle-rearing in the semi-arid Sahel region south of the Sahara, according to the British charity Christian Aid. Page 4

**Russia's tough debt terms:** Russia is demanding repayment on harsh terms of the billions of roubles it is owed by the other former Soviet republics, who are ostensibly committed to establishing a closer economic union. Page 3

STOCK MARKET INDICES			
FT-SE 100	2516.8	(-2.9)	
Yield	4.05		
FT-SE Euroshare 100	1198.03	(+0.08)	
FT-A All-Share	1333.84	(+0.04)	
Nikkei	20,330.39	(-50.40)	
New York Stock Exchange			
Dow Jones Ind Ave	3489.18	(-0.84)	
S&P Composite	448.24	(+0.57)	
US LUNCHTIME RATES			
Federal Funds	2.5%		
3-mo Treasury Bill	3.875%		
Long Bond	10.1%		
Yield	8.99%		
LONDON MONEY			
3-mo interbank	5.1%	(same)	
Life long gilt return	104.5 (Jan 104.5)		
NORTH SEA OIL (Argentine)			
Brent 15-day (July)	\$18.45	(10.31)	
Gold			
New York Comex (June)	\$374.7	(374.2)	
London	\$373.25	(377.18)	

STOCK MARKET INDICES			
Austria	S&P50	Germany	DAX30
Belgium	Deli20	Greece	ATX100
Denmark	OMX20	Hungary	BUX100
France	CAC40	Ireland	ISEQ100
Italy	FTSEMIB	Japan	Nikkei
Netherlands	AEX100	Spain	IBEX35
Portugal	BVLXPS	Sweden	OMX30
Switzerland	SIX100	Taiwan	TSE100
UK	FTSE100	USA	Dow Jones
West Germany	DAX30	Yugoslavia	BEL100

## Brussels plan to boost jobs

By David Gardner in Brussels

Growth alone not enough to beat crisis, say officials

THE European Commission is close to concluding radical plans to tackle Europe's growing unemployment crisis, including the possibility of member states adjusting tax and social security policies to create jobs. The plan, expected to be agreed by the Commission next Wednesday, is likely to be the centrepiece of the European Community's increasingly urgent efforts to demonstrate their search for solutions to unemployment. The central idea is to find ways of stimulating a more labour-intensive pattern of economic growth. According to senior officials, the plan, which is still being refined, will draw on experience in the US and Japan where much higher percentages of the workforce are employed.

Officials in Brussels say that a recovery in growth will not be enough to deal with EC unemployment now at 17.4m, or 10.3 per cent, more than half of which is structural rather than cyclical, or to combat underemployment. "If we don't come up with something on this we'll be in serious trouble," one said, though he cautioned that "we are not claiming to do more than we can deliver". He emphasised that measures at national level would be decisive. Following its expected approval next Wednesday, the plan will then be discussed by labour and social affairs ministers on June 1 in Luxembourg, with the intention of sending recommendations to the Copenhagen summit of EC heads of government on June 21-22.

Officials stress that the intention is to develop the strategy over the next 18 months, in collaboration with national governments, which would need to decide for themselves what measures to take. It is intended that all EC councils whose work affects jobs, ranging from finance to environment ministers, contribute to the strategy. The focus of the strategy is likely to be on: ● Tax and social security changes "We must see what can be done to shift changes away from employment costs," one senior official said, pointing out that in many EC countries a heavy tax and social security burden for employers inhibits job creation. ● Changes in working time designed to promote more sharing out of employment opportunities. Officials argue that in the US, where about 75 per cent of the potential workforce is employed against nearer to 60 per cent in the EC, household incomes have risen through work-sharing, even though income per head has remained roughly static. ● A review of national welfare and unemployment benefit systems to eliminate disincentives to work. In this sensitive area, officials say stress is likely to be on increasing and co-ordinating spending on "active" manpower measures, such as training, retraining and job counselling. At present, only 0.8 per cent of EC gross domestic product, out of a total unemployment benefits bill of nearly 2.3 per cent of GDP, is spent on active measures. Already member states are saying they want to be closely involved in different parts of the strategy. Officials say that Germany, for instance, wants to look at the restructuring of working time, Greece is keen on local economic development ideas. At EC ministerial level, environment ministers meeting informally last week in Denmark began looking at Commission suggestions on how to obtain jobs from the upgrading of environmental standards. The Commission argues that the tasks of fighting environmental degradation and creating jobs should be linked.

## Democrat rebellion could kill energy tax

By George Graham in Washington

DEMOCRATIC senators launched a rebellion yesterday which threatened to kill President Bill Clinton's proposed energy tax, a cornerstone of his economic proposals aimed at raising about \$70bn over five years. The revolt came only a day after Mr Clinton headed off dissent over his economic plan in the House of Representatives.

Senators David Boren and Bennett Johnston teamed up with moderate Republican allies led by Senator John Danforth to launch a rival economic plan. This would raise taxes by less than Mr Clinton's proposals, and instead cut spending on health and pension benefits for the elderly.

Although the senators presented their plan as a fiscally prudent alternative to the Clinton proposals, their main target is the energy tax, levied on fuels according to their energy content, which is opposed by oil and gas producers in their home states.

Their opposition to the president's economic bill creates a severe obstacle to its passage. An Oklahoma, Mr Boren sits, along with Senator Johnston's fellow Louisiana Senator John Breaux, on the Senate finance committee. Their defection would make it extremely difficult to move the economic bill forward.

Mr Johnston yesterday declared the energy tax dead. "It will not succeed because it will not get the votes," he said.

However, Mr George Mitchell, the Senate majority leader, insisted that the energy tax "will be approved by the Senate finance committee and by the full Senate, largely intact."

Mr Clinton argued yesterday that alternatives to the energy tax such as a petrol tax fell unevenly on different US regions, while benefit cuts for the elderly would shift the burden of reducing the budget deficit disproportionately on those who could least afford it.

Mr Clinton has been able to head off dissent in the House by standing firm and appealing for party loyalty. Many Democrats in the Senate, however, are immune to such appeals.

Continued on Page 18

## Benvenuto quits Socialists after reforms row

By Robert Graham in Rome

ITALY'S 100-year-old Socialist party was in danger of disintegration last night after Mr Giorgio Benvenuto announced his resignation as leader after only 57 days.

His resignation, so close to municipal elections next month, is expected to accelerate the formation of new political alliances as the traditional parties struggle to find fresh identities untainted by the corruption scandals.

Mr Benvenuto made it clear he was "quitting" because the old guard in the party, faithful to Mr Bettino Craxi, the former leader, had undermined every attempt to introduce reforms. But the state of the party's finances, with accumulated debts close to L300bn (\$150m), played a part.

On May 4, he had threatened to resign if his plans for renovating the party were not adopted. Yesterday he commented bitterly: "Today the chances of me remaining as leader have vanished. I have realised that every residual effort to save the party is immediately blocked by counter-proposals from a sizeable section of those who until recently were in the leadership."

Mr Benvenuto's decision is also linked to a special report prepared by a consulting firm on the state of the party's finances. This report revealed documented debts attributable directly to the party of L214bn. The figure is close to L300bn if the debts and accumulated losses of the party's daily newspaper, *Avenire* (circulation 18,000) are included.

Previously Mr Benvenuto had suspected debts were about L160bn, but even that was double what he had been led to believe

three months ago. Bank debts and interest charges are likely to force the party to make some quick sales of its large property portfolio. Mr Benvenuto has never received any pay for his job and the 240 staff in the Rome headquarters have not been paid for three months.

The parlous state of the party's finances, Mr Benvenuto claims, reflected very lax management. The Socialist party has been revealed by the corruption scandal as the party with the biggest appetite for money yet its debts are nearly triple those of any other political grouping.

At least six members of the Socialist executive decided to resign along with Mr Benvenuto, including Mr Gino Giugni, the party chairman. Mr Benvenuto is the former leader of the Uil, the Socialist-controlled trade union confederation. He was brought in as a compromise candidate in February to replace Mr Craxi, disgraced in the corruption scandals.

Despite being forced to step down, Mr Craxi still sought to control the party through his allies on the executive like Mr Gianni De Michelis, the former foreign minister. Mr Craxi himself retained offices in the party headquarters in Rome.

Mr Benvenuto lacked both the power base and the personality to mount a convincing counter-offensive. He was left to look impotent when the majority of the 90 Socialist deputies in parliament last month voted against his advice for Mr Craxi to retain his parliamentary immunity. The parliamentary party also ignored all his pleas for all members under investigation for corruption to relinquish their posts.



**MOSCOW'S POSITIVE LINE:** Mr Andrei Kozyrev, Russia's foreign minister, at a news conference in Washington yesterday, said he saw "positive results" from the latest talks to end the civil war in Bosnia. He offered no details to support his optimism after the first of two planned meetings with the US secretary of state, Warren Christopher. A State Department official said that Mr Kozyrev had raised "some points worth pursuing". Report, Page 18

## Steffen joins Citicorp after 11 weeks at Eastman Kodak

By Nikki Taft in New York

MR CHRISTOPHER STEFFEN, the former chief financial officer at Eastman Kodak who quit after only 11 weeks because of differences with the chairman of the film products company, is joining Citicorp, the biggest US bank.

The bank said yesterday that Mr Steffen would become a member of its management committee and "concentrate on internal operations, productivity programmes, control and audit". Mr John Reed, Citicorp's chairman, said he expected to recommend that Mr Steffen be made a Citicorp director and a senior executive vice-president at the bank.

The move seems likely to be interpreted as an attempt by Citicorp to introduce solid industrial management experience and a

fresh approach to operational controls. "Chris brings... a breadth of international and modern industrial experience that will contribute significantly to our continued focus on... operational performance," Mr Reed said.

Citicorp has been heavily criticised in recent years for a lack of management quality and cost controls. There has already been a series of shake-ups in senior management.

Mr Steffen, who is in his early 50s and came from Detroit, hit the headlines when Kodak announced his resignation in late April - less than three months after he had become chief financial officer. Mr Steffen, formerly chief financial officer of Honeywell, has a reputation for taking tough, rapid action to improve a company's performance.

His departure from Kodak appeared to result from a clash with the group's chairman, Mr Kay Whitmore. Mr Whitmore, with a reputation of much greater caution, said at the time that Mr Steffen had left "not because we disagreed on what needs to change, but because we could not agree on the process for making that change happen".

Citicorp combined news of Mr Steffen's arrival with an announcement that it plans to sell about 10m depositary shares of non-cumulative perpetual preferred stock at \$25 a share. The offering, which will be lead-managed by Lehman Brothers, will add about \$250m to the bank's "tier one" capital. Citicorp shares were \$4 higher at \$39 in heavy trading yesterday morning.



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## NEWS: EUROPE

## Italian interest rate cut to 10.5%

By Robert Graham in Rome

THE Bank of Italy yesterday cut the discount rate by half a percentage point to 10.5 per cent, the lowest level since 1976.

The move followed the positive outcome of the second Danish referendum on the Maastricht treaty and is in response to calls from recession-hit industries to ease the still high cost of borrowing. The rate cut is the third this year.

Commercial banks immediately began to bring their prime rates into line. On average, the commercial banks looked set to cut their prime rates by half a percentage point to 11.75 per cent.

The fall in interest rates, reflected in the reduced cost of financing the budget deficit, brought some relief to the Ciampi government as the economic team finalised measures for a mini-budget.

This could be announced today with a mix of new taxes and spending cuts which are aimed at producing an extra L13,000bn (\$8.6bn). The bulk is expected to come from higher taxes, especially on petrol.

The mini-budget is also being planned in conjunction with the 1994 budget which for the first time will be ready before the summer recess of parliament.

Austerity is expected to continue with the need to hold down the public sector deficit which remains over 10.5 per cent of GDP.

This week the government received another harsh reminder of the continued demands on the Treasury. A constitutional court sentence has declared that some 3.6m civil servants and members of the military are eligible to have their severance pay on retirement topped up to accommodate inflation. The court allowed parliament a reasonable period to implement legislation but this will add at least L9,000bn in public spending.

## Greece begins bugging probe

THE Greek parliament began setting up a powerful committee yesterday to investigate charges that leaders of the ruling conservative party illegally bugged their political opponents, Renter reports from Athens.

Party leaders began selecting those who will sit on the 35-member committee to inquire into allegations that the ruling New Democracy party systematically eavesdropped on an array of rivals during a political crisis from 1988 to 1990. They also plan measures to control bugging.

## Denktash offers port to UN

TURKISH Cypriot leader Rauf Denktaş said yesterday the resort of Varosha could be handed over to the United Nations in return for the lifting of an international embargo on Turkish Cypriot ports and airports, Renter reports from Nicosia.

"We indicated that provided the embargo which has been going on for 29 years is lifted from our ports and airports, we could discuss this," he said. But, he added, transfer of the former Greek Cypriot resort would have to await agreement on a wider Cyprus deal.

## Moscow sets tough debt terms for CIS

By John Lloyd in Moscow

RUSSIA is demanding repayment on harsh terms of the trillions of roubles it is owed by the other former Soviet republics. Members of the Commonwealth of Independent States, they are ostensibly committed to establishing a closer economic union.

In talks with the states, Russia has demanded:

● Repayment must start from 1994;

● The interest rate on the debt must be paid at 2 per cent over the prevailing interbank rate;

● The repayments be denominated in dollars at a rate pegged to that prevailing in the middle of last year, when the rouble was much stronger against the dollar.

Western advisers following these negotiations say the terms are exceptionally tough - especially as Russia has benefited from a five-year postponement on payment of interest and capital on its \$80bn-plus debt with the London and Paris clubs. But they

are also seen as an opening gambit, albeit one showing Russia is no longer willing or able to deal with its neighbours on any other than commercial terms.

Most of the debt is in the form of technical credits advanced over recent years which have allowed the republics to keep on buying Russian energy and manufactured goods. Russia's dominance as an energy producer has meant it is the creditor country in nearly all bilateral relationships with other CIS members.

However, the debtor countries are in most cases even more impoverished than Russia, with much less possibility than Russia of earning hard currency through energy or other sales. Their continuing need for Russian credits is illustrated by the intention of the Ukrainian government to seek a further Rhs1,000bn credit line to pay for Russian oil and gas this year.

Russia's potential to earn hard currency this year and next has been damaged by the continuing fall in oil output.

## Russian leaders agree to reforms tied to IMF loan

By Leyla Boulton in Moscow

THE Russian authorities yesterday patched up divisions over proposals for economic reform which are linked to a new \$3bn loan from the International Monetary Fund.

Mr Viktor Chernomyrdin, the prime minister, Mr Viktor Gerashchenko, the central bank chairman, and Mr Boris Fyodorov, the finance minister, reached broad agreement to make no new spending decisions for the rest of this year, to increase interest rates, and to maintain quarterly limits on credit expansion.

The agreement follows modifications discussed with the IMF. Earlier this week, the measures were criticised by Mr Gerashchenko, who has deep reservations about Mr Fyodorov's strategy for cutting inflation and restructuring the economy.

Mr Gerashchenko told bankers that restrictions on credit expansion agreed with the gov-

ernment would be overshoot in the second quarter, not to mention the rest of the year. He also challenged proposals for the rate at which the Central Bank gives credit to the economy to track a so-called market rate.

But agreement among the three men is by no means the end of internal squabbling in the Russian camp. The proposals for instance run directly counter to the views of old-time conservatives such as first deputy prime minister Oleg Lobov, in charge of the Economics Ministry.

Mr Fyodorov, who has sought to make the proposals as binding as possible for his colleagues, said at the beginning of the week he expected the government and Central Bank to make a joint pledge yesterday. But Mr Sergei Vasiliev, head of the government centre to monitor economic reform, said the document would not be ready until Saturday.



German Chancellor Helmut Kohl adjusting the lapel of a Turkish honour guard on the second day of an official visit yesterday

## Window on the west reopens

St Petersburg could be Russia's Milan, reports Lynnley Browning

WESTERN tobacco companies are among the growing number of investors choosing St Petersburg, Russia's former imperial capital, as the home base for their operations in the former Soviet Union.

While most Moscow-based companies such as Coca-Cola, IBM and 3M have representative offices in the city, other companies, including Procter & Gamble, Philip Morris, RJR Reynolds and Gillette, have made St Petersburg their CIS headquarters.

"St Petersburg could be to Moscow what Milan is to Rome," says Mr Ruud Wittkamp, St Petersburg manager of Ernst & Young, one of six accounting, auditing and consulting firms represented here. "Rome may be Italy's political locus, but Milan is its economic centre."

Built by Peter the Great as "a window on the west" nearly three centuries ago, St Petersburg has long been Russia's most European city. With geographic proximity to the west, a more co-operative bureaucracy, architectural grandeur, a well educated population and military-industrial enterprises ripe for conversion, the city has significant advantages over Moscow.

Nearly half of about 6,000 foreign joint ventures in Russia are based in the city. Gillette, which plans to build a factory to supplement its joint venture partner Leclanché's existing factory, intends to make St

Petersburg one of the company's top three manufacturing points in the world.

Rothmans, which recently announced plans for a \$90m factory, joins tobacco concerns Philip Morris and RJR Reynolds in establishing manufacturing operations in St Petersburg.

Coca-Cola is also negotiating land agreements to build a bottling factory, the first stage of a \$34m project. Oris Eleva-

Mr Konstantin Karcmarczyk, director of Arcis, a Russian company involved in the conversion of military industries, is less sanguine than those who see the city as an east European hub. He says western companies looking for manufacturing partners often find inefficient management and disorganised balance sheets alongside high levels of quality and technology.

"Military enterprises have

breaks, abolition of import/export tariffs, and simplified joint venture registration procedures would boost foreign trade and encourage manufacturing.

Popular opposition to Mr Sobchak is also growing. His critics say he pays too much attention to western companies offering products few can afford while neglecting housing, transport and other infrastructural problems and failing to combat rising crime.

There are problems. Crime has risen significantly. Eight Marlboro kiosks were fire-bombed recently for "undercutting" the price of cigarettes sold in stands controlled by racketeers, and Coca-Cola pays the taxi fare home for its Russian employees, who are routinely harassed.

Businessmen also complain that property negotiations are hampered by disputes over who owns what. Unlike Moscow, where gigantic Stalin-era structures dominate the skyline, St Petersburg has endless rows of once elegant 19th-century, Italianate buildings which will be prime investments once the bureaucratic wrangling over property rights are overcome.

But despite the problems, life is starting to get easier. Satellite telecommunication is now available, sales of centrally located privatised apartments to executives are soaring, and the city's second five-star hotel, the Nevskiy Palace, is due to open soon.

tor, which operated in the city before the 1917 revolution, recently opened its manufacturing facility and plans full production capacity and export to the rest of Europe in 1994, while 3M is building a factory to make telecommunications products.

Western consumer-goods companies are marketing their products to an urban, highly educated population in a city long considered the cultural and intellectual capital of Russia.

St Petersburg's 5m population is the most highly educated in Russia; more than half have university degrees; 60 per cent are of working age; one in seven is an engineer working in military-industrial enterprises. The city also provides a choice pool of highly qualified labour.

real visions of capitalism but the practices of the old Soviet system," he adds.

When joint ventures do materialise, they are not always happy marriages. Gillette spent months in fraught negotiations with its partner Leclanché, which promised to reconstruct an existing factory to produce 1bn razor blades a year, but the project is believed to be long behind schedule.

Part of St Petersburg's appeal lies in its reputation as a city less entangled in red tape than other Russian cities, and in the reputation of its first elected mayor, Mr Anatoly Sobchak. He advocates tax incentives for big business, private ownership of land, and banking reforms. He is the architect of the Free Economic Zone project, in which tax

## Waigel suffers political setback at home

By Quentin Peel in Bonn

A CHASTENED Mr Theo Waigel, the German finance minister, is set to stay on in Bonn to wrestle with the budgetary headaches of German unification, after he failed in an attempt to take over as prime minister in his home state of Bavaria.

The man now regarded as odds-on favourite for the Bavarian job is Mr Edmund Stoiber, the conservative interior minister in the Bavarian government and a close confidant of the late Franz-Josef Strauss, the longest-serving post-war Bavarian premier.

The solution, to be presented to a meeting of the party leadership of the Bavaria-based Christian Social Union (CSU) today, is good news for Chancellor Helmut Kohl. He will not have to find a new man to fill the unpopular job of finance minister at a time of acute budget stringency, and in the run-up to a whole series of state and national elections.

It amounts to a serious setback, however, for the political ambitions of Mr Waigel, who had clearly set his heart on the state premier's job in Munich. He now knows that in his home base, he cannot match the support of Mr Stoiber, the hard man of the CSU and now seen as a certain future party leader.

The planned compromise will leave Mr Waigel as party leader in the CSU, with his position ostensibly enhanced, provided he remains in Bonn. There he has always shown himself to be a loyal and likeable lieutenant to Mr Kohl in the ruling coalition.

An important factor in the outcome is the decision of CSU party barons on who can best resist the advance of the far-right Republican party in next year's state, national and European elections. Mr Stoiber, who has taken a strong anti-immigration and tough law-and-order stance, is seen to be the obvious local leader.

Mr Waigel's problem is that the Bonn Finance Ministry is a poisoned political chalice. Only on Wednesday, Mr Kohl served notice that another ferocious round of savings was needed to keep the 1994 budget under control. Tax revenues are estimated to fall more than DM100bn (\$62bn) short of the original forecast up to 1996.

## Basques and Catalans plan their own 'central' banks

By Peter Bruce in Madrid

SPAIN'S TWO big governing regional parties, the Basque PNV and the Catalan CiU, have both issued a serious threat to the central authority of Madrid before the June 6 general election by announcing plans to establish public banks which could greatly increase the financial autonomy of the two regions.

The move, started by the Basques and quickly followed by the Catalans, is a taste of the complex political dilemma that could confront either of Spain's two main parties, the governing Socialists or the conservative Partido Popular (PP), after the election.

These parties are neck-and-neck in the polls, which predict a hung parliament in which any government would have to have the assistance of

the Basque and Catalan parties. By launching their proposals now, the Basques and Catalans are making clear the price of such co-operation.

The PNV has said its planned public bank for the Basque country would enjoy the same powers as the Bank of Spain in obliging Basque financial institutions, mainly savings banks, to deposit with it a proportion of their deposits, interest free, to meet liquidity requirements.

A draft law published by the Basque government says the new bank, the Euskadiko Banku Publikoa, would serve to "obtain the maximum financial autonomy for Euskadi" (the Basque country).

The possibility of creating a Basque central bank has been raised before and it is believed that, ultimately, the PNV intends the new bank to be a central bank and to issue its own currency. The Basque

country already has a statute of autonomy, which allows the regional government the exclusive right to collect and distribute taxes.

Responding to publication of the Basque draft law, the CiU leader and Catalan premier, Mr Jordi Pujol, emerged from a cabinet meeting this week saying: "We must do it too." The Catalans, who do not yet collect their own taxes, want a public bank run by the regional government

which would be used to help fund regional government projects.

It is taken for granted, however, that the Catalans, sooner or later, would also want this bank to take some control over Catalonia's financial sector, and that it would also begin to set liquidity requirements for local banking institutions.

In Madrid, the government and the Bank of Spain have strongly opposed both ideas.

## Parties may have to pay homage to Catalonia

Catalan nationalist leader Jordi Pujol could hold the balance of power after the vote on June 6, writes Tom Burns

SPANISH



ELECTIONS

THE one political party that is wholly confident about Spain's June 6 general elections is Catalonia's nationalist grouping Convergència i Unió, CiU. Its electoral slogan proclaims the poll date to be "The Great Opportunity" and nobody disputes the relevance of the message.

The ruling Socialist party, PSOE, and the centre-right Partido Popular, PP, are worried. The two Madrid-based parties are evenly matched and they both know that neither of them is likely to form a governing majority.

The prospect of a stand-off election and a hung parliament is tailor-made for CiU's ambition to consolidate its hold on the wealthy north-east corner of Spain.

CiU has consistently won Catalonia's regional elections - its leader Mr Jordi Pujol has run the autonomous government, the Generalitat, since 1980 - and it is now also poised to outstrip the Socialists in Catalonia in a general election. Opinion polls indicate that CiU could gain up to three seats, to return 21 of the 47

MR JORDI PUJOL (right) is fast and fluent, although not always understandable, in English, French, German and Italian as well as Spanish, writes Tom Burns in Barcelona. As a public speaker he is at his most impressive speaking Catalan, the language he considers his birthright and that of Catalonia's 6m-odd inhabitants.

Aged 63, Mr Pujol has been running the area that he resolutely calls a *racó* since 1980 as chief minister of the Generalitat, the Barcelona-based autonomous government. As well as the most linguistically gifted of Spain's senior politicians, he is the longest serving in high elected office.

Mr Pujol has been a passionate Catalan nationalist since his student days, when he was tortured and imprisoned for singing Catalonia's national anthem at a Barcelona concert attended by the top brass of General Franco's dictatorship.

members elected in Catalonia to the Madrid congress, that the PSOE's present 22 Catalan seats will be sharply reduced, possibly to as few as 15, and that the PP may double its Catalan representation to 10 seats. On present evidence neither the Socialists nor the centre-right opposition are likely to gain much more than 150 seats



in the 350-member Congress and the CiU's 20-odd members will hold the balance of power in the new legislature. Mr Pujol can accordingly negotiate an alliance with the PSOE and return it to power for a fourth term, or he could ally with the PP and usher in a new government. Mr Pujol, who clearly relishes the prospect of a power-broker role, says CiU can be counted on to assure the governability of Spain. But he is keeping understandably quiet about which of the two main parties he is willing to back.

The choice is not an easy one, for CiU is a middle-of-the-road party that seeks to be all things to all

Catalans. It embraces diehard and lukewarm nationalists, big business, small shopkeepers and liberal-minded professionals. An alliance with the PSOE would anger Mr Pujol's middle-class supporters but one with the PP would upset Catalan nationalist sentiment.

CiU could only realistically join the PSOE if the Socialists disavowed controversial elements in their manifesto such as a pro-union strike law. An alliance with the centre right would require the PP to accept the Generalitat's more strident nationalist policies.

It is not, however, a choice that can be ducked. "Since we have the responsibility of governing Catalonia, we are condemned to reaching an understanding with Madrid," says Mr Joaquín Molins, a former member of Mr Pujol's Generalitat government who is now running for a CiU seat in Congress. Tipped for a cabinet post in the event of a coalition government, Mr Molins stresses that it is very much in Catalonia's self-interest for Spain to have a competent and stable government.

Catalonia resembles northern Italy in its sophisticated development. However, unlike regional political movements there, such as the Lombard League, which have little time for the rest of Italy, CiU cannot

dissociate itself from its Spanish framework. Catalonia is only geographically close to the core of Europe; its prosperity is to a large extent dependent on the purchasing power of the more backward areas of the domestic economy.

La Gran Oportunitat, as CiU's electoral posters proclaim, is the challenge to infuse the Spanish administration, as junior partners in a coalition led either by the PSOE or the PP, with all the values and virtues of modernity, efficiency and commercial acumen that are attributed to the Catalans.

The slogan echoes a call to "Catalanise Spain" made 60 years ago by the financier Mr Francesc Cambó, the father of modern Catalan nationalism.

But it is also an opportunity to increase the considerable self-rule powers that are already enjoyed by Barcelona's Generalitat.

Mr Pujol will insist on the Generalitat's fiscal co-responsibility in Catalonia with the Madrid government as the price for CiU support in a national coalition government. Eventually Mr Pujol wants the Generalitat to raise its own taxes and then pay a lump sum to Madrid for the services rendered by the central administration. The Basque country and Navarre, its adjoining

autonomous community, already have this prerogative. "All we want is the same deal," says Mr Molins.

It is doubtful, given the electoral trend, whether either the PSOE or the PP will be in a position to reject such a deal after June 6.

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# Kravchuk bids for wider power

President's move plunges Ukraine into constitutional crisis

By Chrystia Freeland in Kiev

UKRAINE was plunged into a constitutional crisis yesterday when President Leonid Kravchuk asked parliament to make him head of government, a position now held by the prime minister. In response Prime Minister Leonid Kuchma offered to resign.

The president's unexpected bid for greater power came as parliament considered the prime minister's own request, made earlier this week, for an extended remit in order to implement economic reform.

The conservative parliament had looked set to meet Mr Kuchma's demands, thereby facilitating greater reform, but the president's proposal could now block that process.

Mr Kuchma this week called on parliament to extend his power to rule the economy by decree and asked for control over the central bank and state privatisation body.

He said he would use this expanded authority to tighten Ukraine's monetary policy and push through more rapid privatisation.

Mr Kravchuk had been expected to back the prime minister's plan, but he surprised deputies yesterday with his request to amend the constitution to make the president the head of all executive structures in Ukraine.

"Our president is a very good chess player," commented a senior official government official.

The presidential option is attractive to deputies because he has promised not to restrict their authority to pass economic legislation.

Deputies are expected to vote



The Ukrainian prime minister, Mr Leonid Kuchma (left), pictured earlier this year with the republic's president, Mr Leonid Kravchuk, at the Commonwealth of Independent States summit held in Minsk

on both the president's and the prime minister's proposals today. If the president wins, as most predict, Ukraine's stalled economic reforms could face a further setback.

A senior cabinet minister, who said he would also offer to quit if the prime minister went, said that if the president took charge of the government he was likely to bring back the ex-Communist old guard forced

out when Mr Kuchma took office last autumn.

In that event he forecast policies which would push Ukraine into hyperinflation within the next six months.

Presidential advisers, however, deny this, saying Mr Kravchuk, who has carefully side-stepped economic issues during his first 18 months in office, will pursue radical reforms. "Mr Kuchma's gov-

ernment said it was pro-reform," said one, "but actually its policies were conservative."

After a week of rapid reversals, some deputies are advocating a third option. Mr Volodymyr Iavorivsky urged president and prime minister to work together, suggesting that Mr Kuchma accept the job of vice-president responsible for the economy.

However, the prime minister

is understood to have already rejected such an option.

The political uncertainty is likely to be a setback for the International Monetary Fund delegation currently in Kiev. It arrived earlier this week to begin what Ukrainian and IMF officials had hoped would be conclusive talks on granting Ukraine access to the IMF's newly created transitional lending facility.

## Belgium stresses European union

By Andrew Hill in Brussels

MR Jean-Luc Dehaene, Belgium's prime minister, said yesterday greater European integration would be a priority when the country takes over the EC presidency from Denmark in six weeks' time.

"It has to be said quite clearly that the best response to the political and economic crisis we are going through is not less, but more Europe," said Mr Dehaene in a speech in Waregem, northern Belgium.

"That means, first, implementing the Maastricht treaty and, secondly, ensuring (economic) growth in Europe," Mr Dehaene, a Flemish Christian Democrat, told a meeting of Catholic employers.

Mr Dehaene's speech is likely to create disquiet among Euro-sceptics in Britain, which has yet to ratify the Maastricht treaty. They fear that Belgium, backed by other enthusiastic EC members, will pursue a strong line in favour of greater integration during its six-month presidency, especially now that Denmark has voted in favour of the treaty.

He added that monetary union would underpin the European economy and "finally put an end to competitive devaluations" of EC currencies, which have put pressure on Belgium's export-based economy.

Senior Belgian ministers have suggested in the last week that the EC might have to consider relaxing Maastricht's strict economic conditions for monetary union, if the recession persists.

Sympathy for anti-Maastricht demonstrators is hard to find

## Second night of riot deepens Danes' dismay

By Hilary Barnes in Copenhagen

A SECOND night of riots in the Nørrebro area of Copenhagen, following Denmark's endorsement of the Maastricht treaty on Tuesday, has left Danes wondering what has hit their peaceful society.

Further mayhem may be on the way; the demonstrators, associated with a militant anarchist squatter group known as the BZ'ers, are planning an official demonstration against the police tomorrow.

However, yesterday's media reports were notably lacking in sociological soul-searching on the causes of the riots. The Copenhagen popular newspaper Ekstra Bladet, with a strongly anti-Maastricht readership, described the riot as "shameful", "completely undanish", and ascribed the riots to "louts".

Copenhagen, one of only two areas in which there was a No majority on Tuesday, is a city dominated by civil servants and administrators, students, and the financial service sector. It also has more than its share of social welfare clients and pensioners.

It has above-average unemployment, about 16 per cent compared with the national average of 12 per cent. Youth unemployment, however, has been partly held in check by provision of more places in tertiary education, so that unem-

ployment in the 16-24 age group is about the same as the national average.

There was a measure of understanding for the rioters from the June Movement, the most prominent of the anti-Maastricht campaign movements. One of its leaders, Ms Drude Dahlerup, declined to condemn Tuesday night's rioters until she had heard all the facts. But there is no evidence of popular support for the BZ'ers.

With the city full of journalists and camera crews, the chief worry of many Danes is the country's "reputation abroad as a country where you can walk the streets in safety", as the national newspaper Berlingske Tidende put it.

The second riot was less vicious than the first, when police were under such severe pressure from the stone-throwing demonstrators that they opened fire and wounded 11 of them - none seriously. About 26 policemen were also injured.

Mrs Ebbe Strange, a left-wing member of parliament, has called for an inquiry into the riot.

On Wednesday night 100-200 demonstrators began smashing shop windows and were soon involved in a street battle with about 200 police, who used teargas but did not fire their handguns again. Four police were slightly injured and four demonstrators arrested, said police.

## Serbs confident they can end war and keep spoils

BOSNIAN Serb leaders have triumphantly declared peace, presenting the outside world with the fait accompli of their self-styled state, and challenging the west to come up with new peace proposals to replace the Vance-Owen plan, acceptable to the Bosnian Serbs.

Despite rifts between Mr Radovan Karadzic, the Bosnian Serb leader, and his Belgrade patrons, Serb leaders on both sides of the frontier appear to believe that the war is over. Their apparent differences are about tactics to achieve their objectives.

In the aftermath of the overwhelming rejection by Bosnian Serbs of the Vance-Owen plan in their referendum last weekend, it is significant that Belgrade has toned down its criticisms of Bosnian Serb leaders.

Mr Karadzic is now confident that the west will not intervene against Bosnian Serb targets. He is clearly buoyed by the rumblings of the rift between the US and its European allies over how to handle the crisis, and has even said the Clinton administration would soon publicly back Serbian "rights" and the "autonomy of our state".

The Bosnian Serb assembly's announcement on Wednesday that Bosnian Serb forces would

cease all military operations in Bosnia comes at a time when they already control 70 per cent of Bosnian territory, compared with the 43 per cent allocated to them under the Vance-Owen plan. The remark by a prominent Bosnian Serb intellectual that "the remaining [Moslem] enclaves will fall like

**Laura Silber reports on why the world community is being defied**

ripe fruit from the trees" is indicative of the widespread feeling of confidence among the Serbs of Bosnia.

In their efforts to carve out a Serbian state, Republika Srpska, Bosnian Serbs have expelled or killed hundreds of thousands of Moslems. "The decision has been made. The Serbian people never again - not under any conditions - will give up Republika Srpska and the whole world must know this," Mr Karadzic told the Bosnian Serb assembly.

Anxious to persuade the UN

to ease sanctions against the remnants of Yugoslavia, Mr Slobodan Milosevic, Serbian president, has endorsed the international plan to divide Bosnia into ten provinces. But he is clearly aware that re-invention of multi-ethnic Bosnia will prove elusive for a fractious international community.

If Belgrade has backed the step-by-step implementation of the Vance-Owen peace plan, it has done so on the assumption that it would give time for "necessary corrections" to be made. In practice, this can only mean territorial concessions to the Bosnian Serbs.

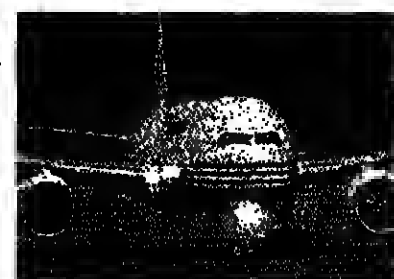
Mr Karadzic set out his thoughts on the subject with brutal clarity on Wednesday. A Bosnian Serb state would be willing to settle for a confederation with the Croats and Moslems in Bosnia-Herzegovina, "if it makes the job of the international community easier, and if they want to preserve Bosnia-Herzegovina in some form."

Serbian power-brokers have echoed Mr Karadzic's call for peace. Even more telling are the similar statements this week by President Franjo Tudjman of Croatia. Serb and Croat leaders have long sought to carve up Bosnia at the expense of the Moslems, the republic's biggest ethnic group.



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## UN considers deploying Bosnia border monitors

By Michael Littlejohns, UN Correspondent, in New York

THE United Nations Security Council is considering a proposal to deploy some 500 international military observers at dozens of checkpoints on the Yugoslav-Bosnian border to monitor Belgrade's compliance with its promise to halt arms supplies to Bosnia.

The resolution, sponsored by Russia and EC members Britain, France and Spain, is also expected to win US backing, albeit unenthusiastic. The US rift with the Europeans on Balkan policy remains acute.

The secretary general's staff are already making contingency arrangements for deploying the observers at some 50 checkpoints, although

the plan will have to be presented first to the Council.

Their main task would be to ensure that President Slobodan Milosevic fulfils his promise to put pressure on the Bosnian Serbs to accept the Vance-Owen peace plan by cutting off vital supplies.

Mr Milosevic has called for a similar international observer team on the Bosnian-Croatian border to halt arms shipments to the Bosnian Croats. The resolution asks for recommendations by the secretary general on this question.

Two other resolutions dealing with the Balkan crisis are also being considered. One, to establish formally an 11-member international war crimes tribunal, has run into juridical problems. These were still

being ironed out last night.

The other is a proposal that would have Russian troops join the mainly western European international force in Bosnia under a plan that would add about 3,000 soldiers to that operation.

Laura Silber adds from Belgrade: Fresh clashes erupted yesterday in northern and central Bosnia, in spite of pledges of peace by Serb and Croat leaders.

At least two people were killed and nine wounded in sniper and mortar attacks on Sarajevo, reported Bosnian radio. Tanjug, the Belgrade-based news agency, said Grbavica, the Serb-held district of Sarajevo, came under a heavy mortar attack for the second straight day.

## Competition cases jam easing

By Andrew Hill in Brussels

THE European Commission managed to cut its backlog of competition cases by nearly a third last year.

The Brussels authorities have been heavily criticised by lawyers and companies for the time it takes to examine routine deals under EC treaty

rules which outlaw cartels and abuses of a dominant position. The Commission's annual report on competition reveals that 1,562 such cases were still being examined on December 31 1992, compared with 2,267 a year earlier.

Some 399 new cases were taken on during the year, compared with 388 in 1991. Since 1988, there has

been a 55 per cent reduction in the backlog, as the Commission has tried to accelerate internal procedures.

Brussels already applies strict deadlines to merger cases, but the competition directorate says it is not yet possible to introduce internally binding deadlines for the bulk of general cases.

BOEING



## NEWS: THE AMERICAS

## New face at unsteady helm

Christina Lamb weighs up the latest Brazilian minister of finance

THE frequent changes of faces at the helm of Brazil's economy continued yesterday when Mr Fernando Henrique Cardoso was named finance minister in a cabinet reshuffle.

He is the fourth person in eight months to try his hand at stabilising Latin America's largest economy and succeeds Mr Eliseu Resende, who lasted a mere 80 days. However, critics of President Itamar Franco's inability to retain ministers were downed by the positive reaction to Mr Cardoso's appointment as the best choice in the circumstances.

Mr Mallson da Nohrega, a former finance minister, said: "Fernando Henrique has all the qualities needed to improve the situation - he has support in Congress, is very respected by businessmen, economists and intellectuals, and he has international prestige."

Mr Cardoso, who is 63, a Social Democratic party senator and a leading sociologist, had been foreign minister since September and won much praise for his performance. A former professor at the universities of Paris, Geneva, Mexico and Cambridge, he is the only figure in

the Brazilian cabinet who carries real weight abroad and, despite his left-leaning tendencies, is thought to be the only person able to secure for Brazil a new accord with the International Monetary Fund.

The financial markets welcomed the news of Mr Cardoso's appointment, the main São Paulo index rising 4.7 per cent by the lunchtime close. His considerable influence in Congress will help to pass government legislation and he is seen as one of the few people who can handle Brazil's temperamental president. Three finance ministers, two planning ministers and two central bank governors have topped during Mr Franco's eight months in office.

Some foreign investors were dismayed at the idea of yet another change. "I have nothing printable to say about Brazil," said one. Others saw it as more proof of Mr Franco's mercurial character and are already counting down the 18 remaining months of the Franco administration.

Mr Igor Cornelien, director of Chartered West LB in São Paulo, said: "The real problem is the president, not the ministers. I ask to what extent will

Fernando Henrique be able to do anything, or even attract people to work with him?"

The senator was in New York yesterday when his appointment was announced and he has yet to comment, but associates believe his greater stature than that of his three predecessors has secured a deal whereby Mr Franco is to keep out of economic policy. They point out that he had previously refused the post.

Mr Cardoso's nomination ended the uncertainty of the last fortnight over allegations against Mr Resende that he was favouring his former employers, the Odebrecht construction group, with cheap government finance. He has repeatedly denied the allegations and said yesterday the scandal had reduced his ability to implement the government's economic plan, announced last month.

Mr Resende's departure was part of a wider reshuffle which included the sacking of the ministers of administration and of agriculture, as well as the dismissal of the head of Funai, the federal Indian protection agency. General Rom-

ildo Canhim has been named administration minister.

The new appointments are not expected to alter the government's strategy of stimulating growth through spending and interest rate reduction. Mr Cardoso was one of the authors of the government's economic plan and is a frequent adviser to the president. Mr Roberto Freire, the government's congressional leader, said: "We may have had successive changes in ministers but the direction of economic policy has not changed - our commitment to growth and social policy continues."

Mr Cardoso now has to try to bring down inflation from 30 per cent a month and plug an estimated budget deficit equivalent to \$15bn (\$24bn). Mr de Nohrega said: "It's a very difficult situation. There is no sign that inflation will fall and the plan does not tackle the real issues. The most he can do in the short term is avoid a grave acceleration of inflation."

In an interview on Wednesday, though, Mr Cardoso was more confident: "Brazil is a viable country, the problems are well known and the solutions within reach."

## Troops on alert as decision looms on Pérez

By Joseph Mann and agencies in Caracas

VENEZUELA'S government put thousands of extra police and national guards on the streets of Caracas yesterday in anticipation of possible violence as the supreme court debated whether to impeach President Carlos Andrés Pérez on corruption charges.

More than 5,000 police, double the usual contingent, were dispatched across the capital while National Guardsmen flanked the avenue leading up to the presidential palace.

Security was doubled around the supreme court and oil installations, and the number of troops at airports was increased. During the day city streets were virtually empty as many people stayed at home, fearing possible disturbances.

The supreme court was expected to issue its opinion later yesterday, a confident Pérez again maintained his innocence, arguing that this was merely the latest attempt - politically motivated - to oust him.



A security guard stands ready outside the Venezuelan supreme court building in Caracas

"I know that they want to crush me," he said. Declining to leave office until he is forced to, he said: "Here I am and here I will stay. I await the decision serenely."

If the supreme court decides in favour of impeachment, the case must then be reviewed by the senate, which will have to vote on whether the president should be tried.

Mr Pérez first said he would resign if the supreme court

decided against him, but later asserted he would name one of his government ministers to serve as acting president.

Mr Pérez first held the presidency in 1974-79, a bonanza when the country was the second-largest supplier of oil to the US. But his second term, starting in 1989, has been marked by political and social unrest in an oil-rich but corrupt country where many live in poverty.

## Panamanian leader pleads not guilty

Former President Manuel Solís Palma, Panama's figurehead leader while General Manuel Noriega called the shots as defence chief, has pleaded not guilty to charges of abusing his authority, AP reports from Panama City.

Mr Solís Palma fled to Venezuela and is not attending the trial. He is accused of using paramilitary groups to help suppress street protests.

He and three men already in jail - Arturo Marguines, Enrique Thompson and Benjamin Colamarco - are charged with attempting to undermine state security and Panama's standing in the world.

If convicted, each faces up to three years' imprisonment on the first count and three to six years' on the second.

## Cuban mystery epidemic 'unique' says US expert

By Carole James in Kingston and agencies

A US VIRUS expert helping Cuban doctors to track down the cause of a mystery nerve disease affecting thousands of Cubans said the epidemic was unique in his experience.

"After half a day here it's evident that this is a unique epidemic. It's not like anything that I've ever heard of or seen," Dr Carleton Gajdusek, the winner of the 1976 Nobel prize for medicine, said in Havana late on Wednesday.

He is a specialist in neurological diseases from the US government's National Institutes of Health and has joined a team of international specialists helping investigate the epi-

dem, which has afflicted almost 30,000 people on the Caribbean island.

The Cuban government asked for foreign assistance to deal with the illness after local doctors had confessed to being baffled by the disease.

The Cubans had first said the disease was optic neuritis, which leads to a loss of vision and is caused by vitamin deficiency. However, when many of the victims were also found to be suffering from muscular disorders, the doctors said they thought the illness was a "neuropathic epidemic". Many victims are left bed-ridden and partly blind, according to Cuban doctors.

Cuban government officials have denied suggestions that

the illness is the result of poor diet and inadequate medicines. Cuba's beleaguered economy has been suffering shortages of food and medicine. The island's problems have worsened since a storm in March destroyed many crops.

Health officials are hoping the foreign specialists can quickly determine the nature of the illness, so a cure can be applied. They said that their confusion about the nature of the attack is compounded by the fact that its symptoms are not recorded in medical literature, and that it attacks the young, old and healthy.

Last month, some officials suggested that the illness was the result of biological warfare by Cuba's enemies.

## Businessmen in Ontario dismayed at tax increases

By Bernard Simon in Toronto

BUSINESS leaders in Ontario have expressed dismay at corporate and personal tax increases imposed by the province's social democratic government in a bid to reverse its soaring budget deficit.

The New Democratic party's latest provincial budget includes a new minimum corporate tax, a broadening of the provincial sales tax, and steep increases in personal tax rates focused on middle and high income earners. The top marginal personal tax rate, combining federal and provincial taxes, will climb from 49.8 per

cent to 52.4 per cent.

The average family's tax burden will increase by C\$40-C\$50 (\$20-24) a month.

Ontario accounts for about 40 per cent of Canada's GDP. A steep rise in its budget deficit in recent years has made it the biggest non-sovereign borrower on international capital markets. The province borrowed C\$15bn last year, and expects to raise another C\$10bn-C\$11bn in the current fiscal year. This will bring total debt to C\$79bn - double that four years ago.

Mr Floyd Laughren, provincial treasurer, said he aims to bring down the budget deficit to C\$9.2bn in the year to March

31 1994, from C\$12bn in 1992-93.

Besides the tax increases, he announced a 4.3 per cent cut in government operational spending. The government is also in the throes of acrimonious talks with public sector trade unions over a "social contract" designed to cut C\$2bn a year from its wage bill.

Burns Fry, a Toronto-based securities firm, yesterday cut its forecast of Ontario's 1994 growth rate to 3.3 per cent from 4.2 per cent, to reflect the expected impact of the tax increases on consumer spending. It also warned that borrowing requirements may be higher than expected.

## Argentine strike in prospect

ARGENTINA'S trade union congress has attacked the free market policies of President Carlos Menem and raised the prospect of a general strike, "when and where it hurts the government the most," Reuters reports from Buenos Aires.

An assembly of 187 union delegates voted late on Wednesday to authorise Mr Naldo Brunelli, secretary-general of the general labour confederation (CGT), to decide when the strike would take place.

Such a CGT stoppage would be its second national strike since Mr Menem took office in July 1989. The first was staged last November 9.

## NEWS: WORLD TRADE

## Clinton wins 'fast-track' Gatt backing

By Nancy Dunne in Washington

US SENATORS on the powerful finance committee yesterday voiced broad support for a swift extension of President Bill Clinton's "fast-track" negotiating authority in order to finish Uruguay Round negotiations by December 15.

Senator Patrick Moynihan, the committee chairman, promised to introduce the fast-track measure, unencumbered by conditions, on the Senate floor today.

Fast-track is seen as a necessity for any US administration in trade negotiations, because it allows a final package to go through the Congress without amendment.

Mr Mickey Kantor, the US trade representative, yesterday told committee members that he expects the trade ministers of the US, EC, Canada and Japan to agree on the broad outline of a tariff reduction package by the time of the leaders of the Group of Seven industrial powers meet in Tokyo on July.

Although completion of the round by the target date will be "a tall order", he said, the four ministers who met in Toronto last week made significant progress in producing a market access package, particularly in two areas important to the US - semiconductors and wood products.

The Japanese are now "engaged" in the process and aware that "they will have to take a leadership role".

By the time the trade ministers meet in Tokyo there will have been 12 ministerial meetings on tariff reduction, Mr Kantor said. "I remain hopeful that as the host country for the G7 economic summit meeting, Japan will demonstrate its commitment to the success of these negotiations."

He said he would meet the other trade ministers at least twice before the Tokyo meeting.

Once the four ministers negotiate a tariff package, they will return to the bargaining table in Geneva to complete

two big tasks, Mr Kantor said. The market access negotiations will be broadened to include goods and services with the 115 Gatt members participating in the Uruguay Round.

The US will then seek to "improve" the negotiating text produced by Mr Arthur Dunkel, the Gatt director-general.

The areas necessary for change include anti-dumping, subsidies, trade-related intellectual property rights, environment-related issues on technical barriers to trade and sanitary measures, subsidies, textiles and institutional issues, including the establishment of a multilateral trade organisation.

Mr Kantor also said the Clinton administration would seek to use its generalised system of preferences, the tariff free programme, designed to help the developing countries gain markets in the US, as "an important trade policy tool".

Besides conditioning benefits on a government's record on worker rights, it would also be used as "leverage to foster reforms in areas such as intellectual property".

The administration has asked for a short-term 15-month extension of the \$17bn (\$11bn) GSP programme, which expires next July 4. It will also seek elimination of the statutory ban on GSP for the former Soviet Union, which prevents Russian and other republics from being considered for GSP benefits.

"This proposal would allow us to implement President Clinton's commitment to Russian Federation President Yeltsin," Mr Kantor said.

Mr Henry Parker III, of the coalition of US service industries, told the Senate committee that more work must be done to improve the services text.

He said a final agreement should include strong annexes for financial services and telecommunications and substantial liberalisation across a wide range of countries and a mechanism to prevent free riders benefiting.



Sahelian stock-raisers complain that EC beef exports are wrecking cattle sales, their families' only economic resource

## W Africans hurt by EC beef policy

By Leslie Crawford

EC SUBSIDIES for beef exports to West Africa are destroying the livelihood of 4m pastoralists who rely wholly on cattle-rearing in the semi-arid Sahel region south of the Sahara, according to the British charity Christian Aid.

With other European aid agencies, Christian Aid has launched a campaign for the abolition of these subsidies.

Since 1984, EC beef exports to West Africa have increased seven-fold, subsidised to the tune of £280m by European taxpayers. Local beef prices have collapsed. The low-quality, subsidised EC beef sells at half the price of locally produced meat. Sahelian farmers are finding that no-one is prepared to buy their herds.

EC beef dumping is not only

threatening the survival of Sahelian communities, it also undermines aid from the EC itself to support livestock production in the Sahel.

Hundreds of millions of Euros from the European Development Fund have been spent on building refrigerated abattoirs in Burkina Faso, on improving cattle breeds in Mali, Gambia and Senegal, and on promoting disease control in the Ivory Coast and Ghana.

An EC council of ministers meeting is expected to discuss the issue at the end of the month.

Christian Aid argues that to stop the export of subsidised beef to West Africa would not seriously damage farmers in Europe. Less than 0.5 per cent of total EC beef production of 8.7m tonnes in 1991 was exported to the region.

## Car makers see 'win-win-win' in Nafta

NORTH American vehicle makers dispute the conventional wisdom that the North American Free Trade Agreement will bring a surge of investment in the Mexican automotive industry at the expense of US and Canadian plants.

Much more likely, they predict, is a rationalisation and integration of facilities in all three countries.

"Mexico will get its share of investment," says Mr Mustafa Mohatarem, director of economics at General Motors. "But to the extent that there's excess capacity in the US and Canada, you're not going to add on capacity in Mexico, especially in the short term."

The Mexican car market is growing by about 7 per cent a year. But the domestic car industry is expected to focus increasingly on the smaller models most popular with first-time buyers. Mr Mohatarem compares Mexico to Spain, which, since its accession to the European Community, has become a hub for small-car production.

While growth in the US and Canadian markets is much slower and likely to remain so, the car companies are confident that Nafta will also benefit suppliers in those two countries.

If all goes to plan, Nafta will stimulate trade between Mexico and its two northern neighbours in much the same way as the 1985 US-Canada automotive agreement led to a surge in trade between those two countries. The trend which has seen vehicle and

parts makers treat the US and Canada as a single market for the past three decades is expected to extend gradually to Mexico.

Nafta provides for duty-free trade among the US, Mexico and Canada within 10 years for parts and for vehicles which exceed 62.5 per cent North American origin. The threshold will rise from the 50 per cent level set by the 1965 US-Canada Autopact, to 56 per cent after five years and to 62.5 per cent. Nafta will have a tighter definition of North American content

vehicles in Mexico. Although some export-oriented plants are as efficient as any elsewhere on the continent, those centred on the local market have relatively small production runs and high costs. Ford's factory in Mexico City, for instance, turns out eight different models.

Both GM and Ford intend to switch production of larger models now made in Mexico to under-used plants in the US or Canada. Ford, for instance, will probably move production of the 10,000 Thunderbirds now

assembled each year in Mexico to an under-used plant in Ohio.

GM sold only 1,905 US-assembled cars in Mexico last year. But the manufacturers are confident that the new trade-balancing ratios will be sufficient for their northern plants to compete for virtually the entire growth in the Mexican market.

GM predicts that the US's automotive trade deficit with Mexico, now running at about \$2bn (\$1.2bn) a year, will swing to a "significant" surplus.

Nafta's biggest boost to Mexican investment could come from manufacturers which do not yet have a presence there, but are keen to boost sales of economy-sized models in a fast-growing market. In particular, industry observers predict that Honda and Toyota will put up assembly plants in Mexico within the next few years to complement existing factories in the US and Canada.

But foreign companies with only one plant in North America are more likely to pick a site closer to the main US markets than Mexico. BMW recently announced plans to build a plant in South Carolina. Two other German carmakers - Mercedes-Benz and Audi - are also expected to opt for a US site.

continues to serve the big markets in the north-east US, as well as the whole of Canada. Its output remains about double that of Hermosillo.

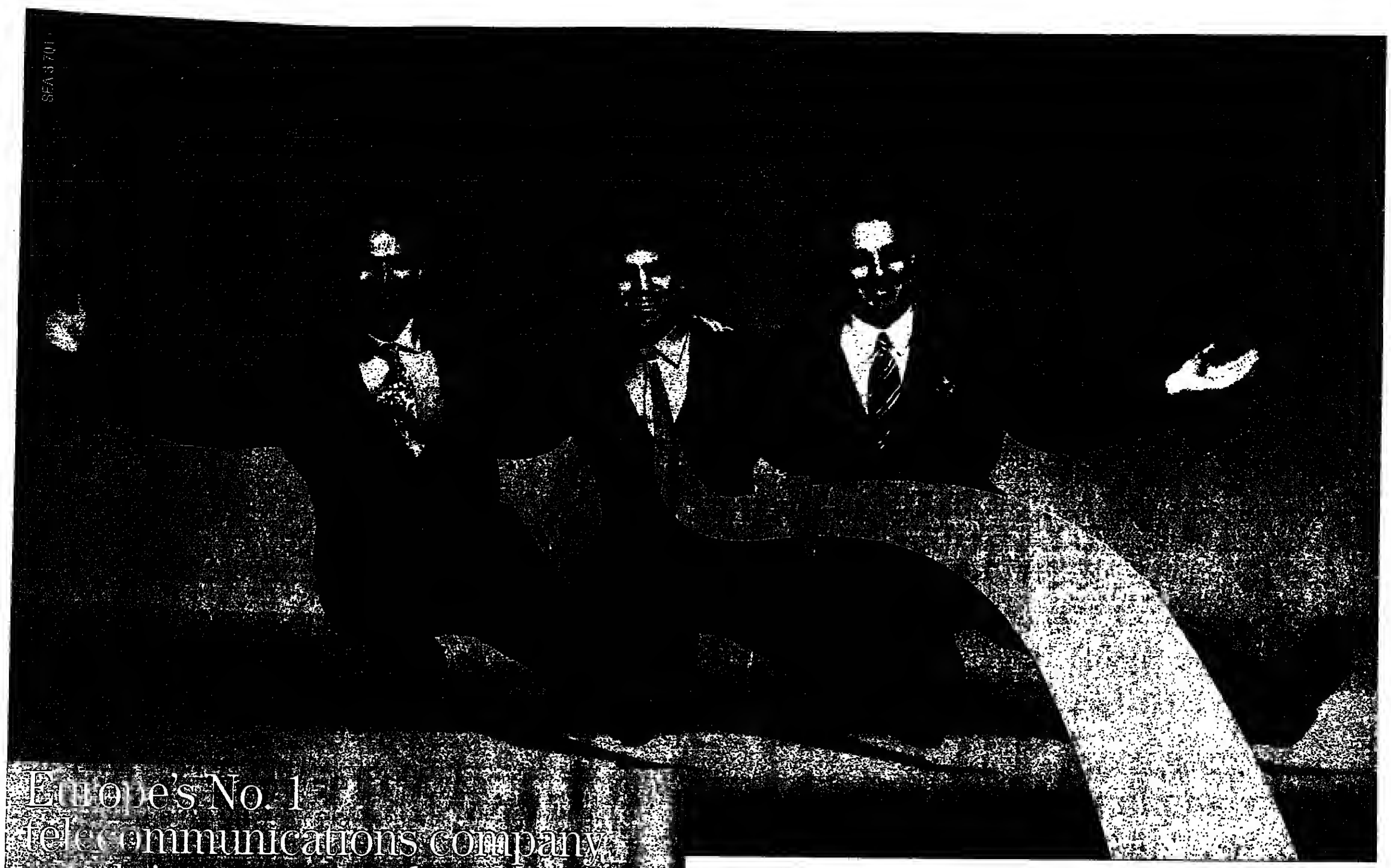
But differences in transport costs could narrow as Mexico's infrastructure improves and border procedures are streamlined. Even now, some Canadian parts suppliers ship to Mexico and vice versa.

The Canadians are confident that - despite frequent complaints about high wages and taxes - they will continue to attract new investment under continental free trade. Chrysler, which produces about a third of its North American vehicles in Ontario, announced earlier this year that it was boosting capacity at its Bramalea plant outside Toronto.

A boost to US and Canadian parts makers could come from the increase in the rule-of-origin threshold from 50 per cent to 62.5 per cent. Japanese and German "transplants", most of which only just meet the 50 per cent target, have already begun raising the North American content of their vehicles. "This formalises a level they were heading for anyway," says a Canadian trade negotiator.

The weakness of the US dollar against the yen gives foreign car-makers another incentive to lower their dependence on imports. But even with the 62.5 per cent threshold, they will be able to source almost all their high-value electronic, chassis and powertrain components abroad.





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## NEWS: INTERNATIONAL

# Sihanouk to return home for election

By Victor Mallet  
in Phnom Penh

PRINCE Norodom Sihanouk, the Cambodian leader and former monarch who has been criticised for living abroad during the implementation of a United Nations-sponsored peace plan, announced yesterday that he would return to Cambodia from his home in Beijing for the general election due to begin on Sunday.

"I will be near my beloved and respected Cambodian people," he said in a statement.

Among those who have urged him to return to Cambodia to support the election are Mr Boutros Boutros Ghali, the UN secretary general, and President François Mitterrand of France.

Prince Sihanouk's associates say he has remained in Beijing partly for medical treatment and partly because he wants to save his political ammunition for the period of confusion which is likely to follow the election. He says he will do his best to reconcile Cambodia's warring factions in a coalition government.

Fighting continued in vari-

nous parts of the country yesterday between the Cambodian government and the Khmer Rouge, which has vowed to disrupt the election after withdrawing from a 1991 peace agreement. A Cambodian working for the International Rice Research Institute was killed on the road from Phnom Penh to Kompong Cham when his vehicle was ambushed on Wednesday.

There were also renewed outbreaks of political violence ahead of next week's election. The UN Transitional Authority in Cambodia (Untac) said a member of the royalist party Funcinpec was allegedly shot dead in his house by government soldiers. Troops were also accused of killing two members of another political party called Molinaka.

Mr Yasushi Akashi, the Untac chief, yesterday described the election campaign as a "great success". He said that even if the highest standards of mature democracies were not met, the voting would "certainly be the freest and fairest elections in Cambodia's recent history".

Mr Akashi said he would declare on May 28, the last day of voting, whether he considered the conduct of the election to have been free and fair. See Feature

# Signs of thaw for HK talks

By Tony Walker in Beijing and  
Simon Davies in Hong Kong

SINO-BRITISH talks on the future of Hong Kong resume in Beijing today with the British side hoping that discussions can progress towards substantial negotiations.

China yesterday gave approval to three key Hong Kong franchises after an informal meeting in the colony of the Sino-British Joint Liaison Group, suggesting a further thawing in relations between the two sides.

The contracts had already been approved by the Hong Kong government, but were caught up in the political backlash that followed the announcement of Governor Chris Patten's political reform proposals. China said it would not recognise new franchises handed out by Hong Kong without Beijing approval.

Following the meeting, the Wharf group received approval for its HK\$50m (240m) cable television project, while Hong Kong Electric has a 15-year extension on its operating licence as monopoly supplier of electricity to Hong Kong island. The third contract was for a land-fill site.

Wharf had already spent HK\$600m on the cable project on the basis of unofficial assurances from China, while the Hong Kong Electric franchise was never considered at risk. The timing of the announcement, however, is considered auspicious.

Last week, the Sino-British land commission agreed on the current fiscal year's land disposal programme. However, the fate of the colony's Container Terminal 9 still hangs in the balance.

There are indications that a full Joint Liaison Group meet-

ing may be agreed for June, when the terminal contract will be discussed. The agreements suggest China is prepared to move forward on pressing business matters concerning Hong Kong.

The two previous rounds of broader Beijing talks were dominated by a Chinese re-statement of "guiding principles", which left little room for discussion of specific issues such as the shape of a possible compromise. Beijing charges that Mr Patten's plans to broaden the franchise for Legislative Council elections go beyond understandings reached in negotiations on Hong Kong's transition to Chinese rule in 1997.

Sir Robin McLaren, Britain's ambassador to Beijing and head of its negotiating team, told reporters in Hong Kong before leaving for China that his aim was to reach agree-

ment on "practical arrangements" for Legco elections due in 1994-95. Sir Robin had been visiting the colony for consultations.

A Chinese foreign ministry spokesman, meanwhile, said the Sino-British talks would produce "positive results" if both sides were guided by previous agreements on the future of Hong Kong. Earlier this week, Sir Robin was carpeted by China over a meeting in London between Mr Douglas Hurd, Britain's foreign secretary, and the Dalai Lama, Tibet's exiled spiritual leader.

Xinhua, the official Chinese news agency, reported that Sir Robin had received a "stern warning" from a foreign ministry official. It described the Dalai Lama as a "political exile preaching so-called independence for Tibet and engaged in activities aimed at splitting China".

# Business pulls Taiwan closer to mainland

FIVE new Boeing 747-400s will line up later this year in Taipei's Chiang Kai Shek airport bearing the colours of the world's second-largest container shipping group, Evergreen. The jets will fly to a number of international destinations, but a domestic issue lies at the heart of the strategy.

During 1992, more than 1.5m Taiwanese visited China, via a third country. If prohibitions on direct transport were lifted, Eva Air's president, Mr Frank Hsu, estimates that the number of travellers to China could treble immediately.

The momentum of tourists and capital already flooding from the Republic of China back to its erstwhile Communist enemy is placing Taiwan's government under increasing pressure to relax these restrictions on direct links.

Economists provisionally estimate that the lifting of the prohibition on direct transport could add at least 1 percentage point to gross national product, from savings on trans-shipment of products via Hong Kong. But, it is gradually becoming apparent that the government is no longer prepared to budge.

The government's own game plan for relations with the People's Republic is unequivocally stated in its 1991 Guidelines for Unification. The current "short-term" phase, is one of "exchanges and reciprocity", as exemplified in "practical" bilateral discussions that took place in Singapore last month.

The two countries can progress into the phase of "mutual trust and co-operation" only if China renounces the use of violence to bring this "renegade province" back to the bosom of the motherland and if it recognises Taiwan as a separate political entity.

China has refused to give ground on any of these but it has already started putting pressure on Taiwan to renounce the "three links" - post, transport and commerce - which are clearly identified with the second phase.

Taiwanese President Lee Teng-hui in a press conference yesterday again emphasised the need for mutual trust and recognition before these links are put into effect.

With the build-up to the Singapore meeting - the first quasi-official talks to take place between the two sides since the Nationalists' defeat in 1949 - there had been a growing sense that this process could be accelerated.

The pro-business President Lee has recently consolidated his power-base through the appointment of an acolyte as premier, and brokers argued that he would be prepared to push towards direct links in order to attract support from the business community.

But the government has started to give the lie to this. Last week, the Securities and Exchange Commission was encouraged to put the brakes on listed companies' investment in China, prohibiting the raising of capital on the stock market for the purposes of funding projects in China.

In addition, a lobby of senior Taiwanese bankers were invited by Beijing to set up branches in the mainland, but this request was turned down by the Taiwanese government.

Mr Jason Hu, government spokesman, admitted that holding back on direct links was a political trump card, and China's insistence on direct links during the Singapore talks has made the value of this card even more apparent.

Mr Hu said the business

community would have to be patient. "Most business people understand that they gain nothing in these links, if they lose Taiwan," he argued.

But patience appears to be a rare commodity. As the issue of land and labour continues to escalate in affluent Taiwan, there has been a flood of investment capital through Hong Kong and into China.

Taiwan is now the single largest source of visitors to the British colony, because despite the inefficiencies of investing indirectly, China relocation has become an economic imperative.

More than \$7bn (\$4.5bn) has

been invested across the Taiwan Straits and the focus is beginning to progress beyond basic low-cost assembly plants, despite the continued aggressive stance of Beijing.

The Evergreen group is the most notable in preparing a massive transport network with which to cement direct links. Eva Air, which had its inaugural flight just two years ago, is buying 20 aircraft with options on a further eight.

Mr Hsu said: "We would be able to start direct flights within three months of an announcement. We have made some studies and would want to fly to Beijing, Shanghai, Xiamen and Guangzhou." He admitted that if the fare structure was attractive, Eva would take aircraft off international routes to help build up its China business.

Unigory, another Evergreen group company, has recently purchased five small container ships in anticipation of feeder services running from the coast of Fujian province down to Evergreen's container terminal in Kaohsiung.

Ironically Mr Y F Chang, Evergreen's founder and chairman, is an avowed supporter of the opposition Democratic Progressive party, which endorses Taiwanese independence - an event which many still believe would trigger a Chinese invasion. Evergreen's corporate strategy, however, suggests that for the chairman, business comes before politics.

The same may be true for the ruling Kuomintang (KMT) party, which is trying to control a flood of investment into China, whilst its own companies take a more conciliatory stance.

China Development Corporation, a listed company whose largest single shareholder is the Kuomintang, is currently negotiating a stake in a mainland-controlled satellite project, Aster-2.

A government-linked joint venture with China in regional telecommunications and television transmission - an arena fraught with political sensitivities - could hardly be said to put out the right signals to other local businesses.

The investment flows continue to build up, despite officials' threats to tighten restrictions. By 1997, links with Hong Kong - which then reverts to China - will, in effect, breach the prohibition on the "three direct", and Eva Air may have secured mainland routes by then. But in the meantime, the Kuomintang looks set to continue its lonely battle against excessive business links with the enemy.

## NEWS IN BRIEF

## Malaysian plan to set up new airline

MALAYSIA says it intends to create an airline to operate on domestic and international routes, writes Kieran Cooke in Kuala Lumpur.

Dr Mahathir Mohamad, prime minister, said the new airline was necessary because Malaysia Airlines (MAS), the country's national carrier, was expanding so fast that it had become "over-stretched". He said the new airline could be based on Petaling Air, a small carrier which already operates on some domestic and regional routes.

The prime minister said the government would not take up a stake in the proposed new airline. "We want the private sector to do business. We regulate the business," said Dr Mahathir.

## Seoul seeks N Korea meeting

South Korea sought to open a channel of communication with an increasingly isolated and intransigent North Korea yesterday to defuse the row over nuclear inspections before a June deadline. Reuter reports from Seoul, Mr Hwang In-sung, South Korean prime minister, in a letter to Mr Kang Song-san, his northern counterpart, proposed a high-level meeting next week "for the sake of national well-being".

## Tokyo dismisses rate speculation

Market speculation that the Bank of Japan may be permitting gradual rises in yen short-term interest rates is erroneous, according to a senior central bank official. Reuter reports from Tokyo. "If the market believes the central bank is allowing the money rates to firm gradually, it is absolutely wrong," he told reporters after a slight rise in key money market rates.

## Arrests for Thai factory fire

Thai police issued arrest warrants for four executives of the toy factory that burned to the ground last week killing about 200 workers. Reuter reports from Bangkok.

Police said Mr Pichet Laokasem, Mr Churin Unhaphoum, Mr Chang Ming Kuang and Mr Chung Yuk Ming - charged with negligence and illegal modification of a building - faced up to 10 years in jail and a fine if found guilty.

## Hard line on Golan Heights

Only 17 per cent of Israelis would give up all or most of the Golan Heights in return for a peace agreement with Syria, according to an opinion poll published yesterday. Reuter reports from Jerusalem. The Smith Research Centre poll for Jerusalem Report magazine showed 62 per cent of 1,000 Jews surveyed opposed withdrawing from any part of the strategic plateau.

## Angola celebrates US recognition

Angola's formerly Marxist MPLA government yesterday celebrated its recognition on Wednesday by the US but Unita rebels said Washington's decision would complicate peace negotiations. Reuter reports from Luanda. Previous US administrations backed Unita during much of the country's 16-year civil war.



Shimon Peres, Israeli foreign minister, visits the Great Wall of China yesterday. The two countries established diplomatic relations in January 1992. Diplomats said Beijing promised Israel it would not sell missiles to Iran or Syria as it did not want to put obstacles in the way of Middle East peace. China sold Silkorm missiles to Iran during the 1980s, according to western military observers.

## Li Peng's illness a boost for rival

By Tony Walker in Beijing

CONFIRMATION yesterday that Mr Li Peng, the ailing Chinese premier, would remain out of view for the moment has fuelled speculation about not only his physical recovery but also his political well-being.

Mr Li's continued absence has boosted the stocks of his chief rival, Mr Zhu Rongji, the reformist vice-premier and former mayor of Shanghai. Mr Zhu this week is making a high-profile visit to Canada and to Latin America.

China's foreign ministry may have inadvertently encouraged talk about Mr Li's future when it told reporters that the premier would not be meeting visiting dignitaries, including Mr Shimon Peres, the Israeli foreign minister.

The 65-year-old Mr Li has not been seen in public since the last week of April. He was photographed playing tennis with Mr Goh Chok Tong, the visiting Singapore prime minister, on April 20.

On April 26, Chinese officials announced that Mr Li would not be able to keep an appointment with Philippine President Fidel Ramos because he was suffering from a "cold". He was also obliged to cancel a 12-day visit to Central Asia.

One month later, no photographs have appeared of a recuperating Mr Li, nor has the Chinese press revealed that his condition required hospital-

isation. In light of persistent reports that Mr Li is suffering heart problems, Chinese officials have long since given up trying to pretend that he has been laid low by the flu.

Mr Li's lingering health problems have now taken on a political dimension, in the view of Chinese and western observers. "You've got to see Zhu Rongji as the big winner in all this," said a long-serving Beijing diplomat. "It certainly raises questions about Li Peng's political future."

"Li had weathered so many political storms in the past that his survival skills were regarded as one of his assets," the official added.

"But this illness has put a dent in the perception

that he is indestructible."

Adding to Mr Li's political difficulties may be the fact that he is not particularly popular in any case, and therefore his colleagues may be less inclined to indulge health problems. Speculation that his "illness" may indeed be political and not physical has also been revived, although evidence suggests otherwise.

Mr Li was "re-elected" to a second five-year term as premier at the recent National People's Congress, but an unprecedented 10 per cent of the more than 2,000 delegates either voted against him or abstained.

Mr Li, who is associated with leadership hardliners, is blamed by many Chinese for the bloody crack-

down on the Tiananmen democracy demonstrators in June 1989.

Mr Li's continued absence has reinforced perceptions that Mr Zhu, also 65, who was confirmed as senior vice premier at the NPC, is the "strong man" in the government in any case. Added to responsibilities for the day-to-day work of the administration have been the "high profile" meeting and greeting functions normally reserved for the premier.

Western officials who have seen Mr Zhu in action recently say that he has carried off his additional duties with conspicuous self-confidence. His performance at a meeting in Shanghai earlier this month at a meeting of former world leaders has been singled out for praise.

Western officials say that it is somewhat ironic that attention has been focusing on the health of Mr Li, who is a mere strapping by the normal standards of China's gerontocratic leadership. He is 23 years younger than paramount leader, Mr Deng Xiaoping.

Mr Jiang Zemin, China's Communist party boss, president, and chief of its Military Commission, may have also had his stocks boosted by the continued absence of Mr Li. An apparently vigorous Mr Jiang, 65, has also been much in evidence, receiving a whole range of visitors, including Mr Pierre Cardin, the fashion designer.



Li Peng: survival skills brought into doubt



Zhu Rongji: seen as strong man of the government

# IMF watches as Kyrgyzstan fights the battle of the som

John Lloyd in Bishkek on a remarkable currency experiment in the post-Soviet world

A REMARKABLE experiment is taking place in Kyrgyzstan, the poorest of the former Soviet republics. It has introduced a new currency with strong support from the west. On its success depends the future of the state itself, the viability of new currencies in the post-Soviet world and the reputation of the multilateral financial institutions.

Kyrgyzstan is a small, landlocked state on the Chinese border. It has an ethnically divided population - the Kyrgyz are a bare majority with a 25 per cent Russian-speaking minority which dominates production and forms the majority in the capital Bishkek.

The industrial sector of Kyrgyzstan is like that of all ex-Soviet states, but more so. The former agricultural machinery plant made one type of machinery for the former Soviet trading bloc which is no longer in demand and for which it usually cannot get steel anyway. A sugar refinery got its raw material from Cuba, hauled across central

Asia from the Black Sea. Both have all but stopped production.

This is a grim position in which to find oneself "independent" - especially since its years as a Soviet state have left what Kyrgyzstan's foremost economist, Mr Tural Kichiyev, calls a "psychology of dependence".

But in introducing the som ("catfish" in Russian) in place of the rouble, it blazes a trail for the other members of the Commonwealth of Independent States - only one of which, Ukraine, has introduced its own currency, and that without an accompanying programme approved by the International Monetary Fund.

The effects of the introduction of the som have so far been both dramatically good and disturbingly bad. Its first trading session took place on Monday in the street outside the National Bank, where some \$2m was exchanged for som issued

the week before. It held its introductory rate of 4 to the dollar, while on the black market the official rate of Rb180 to a som doubled to around Rb300. A government decree that, after a five-day transition period, the rouble may no longer be used seems to have been obeyed.

But it has caused an inflamed reaction in neighbouring Uzbekistan. The border between the two states has been closed, money transfers and trading of any kind stopped and gas supplies shut off. Uzbek President Islam Karimov, no friend of the pro-western leaders of Kyrgyzstan, accused the Kyrgyz of plotting to flood his republic with unwanted roubles. His action threatens to strain further the bad relations between the Kyrgyz and the ethnic Uzbeks who live in the border areas of Kyrgyzstan.

The currency's introduction was badly executed and badly advertised; the result has been that only

Rb57bn to Rb10bn of the estimated stock of Rb30bn in the country were exchanged for som in the five days. Residents of Bishkek grumble about the bright new currency - accusing the government of raising prices under its cover, and fearing that the government had given them a quite unconvertible currency.

The som is a test case in two ways. First, it poses a colossal challenge to the leadership of Kyrgyzstan: a leadership which, under the presidency of Mr Askar Akayev, the premiership of Mr Tursumbek Chynyshev, attempts to chart a pro-market course.

Mr Chynyshev says: "We believe we had no choice but to introduce the som: it allows us to escape from the inflation of the rouble and to create our own economy."

The chance is there, but the task is difficult. Mr Kichiyev says that "we can look forward to a really

desperate struggle for survival. The measure was necessary - and maybe the struggle will root out the psychology of dependence and create in a sense of responsibility for our own fate."

The second test is of the IMF and, to a lesser extent, the other multilateral financial agencies. The IMF, some six months ago, switched its policy advice dramatically, having previously advised the former Soviet states to stay in the rouble zone, it concluded - after observing the actions of the central bank of Russia in supporting enterprises with a flood of credit - that the only way ex-Soviet states could fight inflation was to take control of their own currencies.

Says Mr Harry Trines, the resident man from the IMF: "It became clear that in the present circumstances no one could reduce infla-

tion while remaining tied to the rouble. And thus the IMF executive board decided that if the (ex-Soviet) countries wanted their own programmes with the IMF they must have their own currency."

This was a momentous decision. It meant that the IMF, and through it the richer countries of the world who provide aid to the former Soviet Union, were implicitly offering to support the new currencies if the state could commit itself to an IMF programme with its familiar features of monetary stability, budget stringency and rapid privatisation.

Kyrgyzstan, uniquely - outside the Baltic states which are not part of the CIS - has done so, earlier this month signing on to a tough programme and receiving \$23m as a first tranche of an \$86m package of support. These funds form the reserves with which the National Bank has supported the currency.

In all, Kyrgyzstan should receive \$400m in loans, including a Rb57bn (about \$100m) from Russia which is promised but the delivery of which must be in some doubt. The World Bank and the Japanese government are to put in about \$10m in budget support - in the form of goods which will be sold in Kyrgyzstan, the proceeds going to the government to finance its budget, thus keeping credit emission within the tight parameters set by the IMF.

For the foreign experts now in Bishkek, the future seems clear enough: a programme (barely begun) which pushes enterprises into the private sector - though there are signs that the state now favours worker-ownership, a route with which the Fund would be unhappy.

Besides that, trading in its few assets - wool, fruit and vegetables, hydro-electric power for which China might provide a market; extraordinary natural beauty; minerals including gold; and a relatively well-educated population.



## Government faces Tory unease on spending cuts

By Alison Smith

THE GOVERNMENT faced growing unease from its own supporters yesterday as it became increasingly clear that the scale of spending cuts under consideration could lead to significant inroads into the welfare state.

Among controversial moves being considered in the spending review now under way are undercuts to the charging of parents directly for university tuition fees and restricting the availability of benefits which are not protected by election pledges.

A change to the existing system under which university tuition fees are automatically paid by the government would make a serious impact on the pockets of middle-class parents. Typical tuition fees would be in excess of £2,000 per year for arts subjects, and much more than this for scientists.

Invalidity benefit, sickness benefit and housing benefit are among those which could be curtailed under the review.

The threat of a backlash from Tory backbenchers already worried by the government's recent spectacular political defeats will depend on how far the spending cuts affect key groups of Conservative supporters among the middle classes and pensioners.

Mr John Major yesterday confirmed that existing welfare state was being targeted in the review but promised that the government would honour its manifesto commitments, and that the "most vulnerable" people would be protected.

Anxiety, meanwhile, among Tory MPs was reinforced by Mr Michael Portillo, the Treasury chief secretary, who said that prescription charges were "only one of 100 different things to look at".

Mr John Smith, the opposition Labour party leader, said he could not imagine "a more gross betrayal" of the Tories' election commitments than cutting free prescriptions.

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## Jobless fall boosts hopes of upturn

By Emma Tucker and Ivor Owen and James Bütz

AN UNEXPECTED drop in unemployment combined with a marked deceleration in wage inflation yesterday revived hopes that the UK economy was on the path of non-inflationary recovery.

The news prompted a strong rise in sterling which closed 1% of a penny up on the day at £M2.5100, a four month high. The monthly fall in unemployment - the third in a row - helped to offset doubts about recovery that arose earlier this week when official figures showed falls in retail sales and manufacturing output.

The number of people out of work and claiming benefit shrank by 1,400 last month to 2,539,600 or 10.5 per cent of the workforce. The drop followed falls of 25,500 and 25,800 in February and March respectively and took the unemployment total to its lowest level for five months.

Optimism about the UK's economic prospects were boosted further by news that average earnings growth were at a 25-year low in March.

However, a 45,000 rise in the number of people out of work for more than a year in the first quarter, acted as a reminder of the economy's fragility. At 1.07m, long-term

unemployment is now 234,000 higher than it was in the first quarter a year ago.

The latest official figures from the Department of Employment did little to end the confusion over the trend in unemployment. Some City economists said a strong rise in manufacturing employment for the third consecutive month meant that the drop in unemployment was more than just a statistical artefact.

But Mr Frank Dobson, the Labour party's employment spokesman, reiterated his accusation that the figures had been "fiddled". He said the government had restricted eligibility for claiming unemployment

benefit, excluding young people, older men and married women with part-time jobs.

Mrs Gillian Shephard, employment secretary, backed by officials from the Employment Service, said the accusation was "fabricated" and maintained that her department had used the same method of calculating the number of unemployed since 1981.

Mr John Major, the prime minister, while acknowledging that the total was too high, said: "We now have the right conditions which I hope will lead to a sustained fall in unemployment."

Manufacturing employment rose by 5,000 in March the

third consecutive monthly rise, following revisions to the January and February figures.

The government was particularly heartened by the fall in average earnings. Over the past 30 years, earnings growth has only been lower during one brief period in 1967, when an incomes policy was in place.

Low wage growth and continued productivity gains meant that manufacturing unit labour costs fell by 2.9 per cent year-on-year in the three months to March. This was the sharpest fall in unit labour costs since 1964.

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Emma Tucker asks whether official figures may have been massaged to cut the total

## Government accused of pulling fast one on jobs

FOR three consecutive months the official count of unemployment in the UK has dropped. The trouble is, no-one really believes the figures.

Even the government reacted with caution to the jobless falls in February and March and officials admitted being perplexed by the sudden change in the trend.

Yesterday's fall in the jobless total - confounding expectations of a small increase - has reinforced claims that the figures for February and March were "fiddled".

The Unemployment Unit, a research organisation, claims that in order to meet performance targets for job placements, the Employment Service (ES) made an exceptional effort towards the end of the financial year to shift people off the official count.

The ES has been operating below performance targets for several years. In the last financial year, in the face of a very weak jobs market, it was asked to place 142m people from the unemployed register into jobs (compared with a target of 1.5m in 1991/92), and to reject more than 500,000 applications for benefit - roughly 10 per cent of all applicants.

According to Mr Peter War-

burton, economist at Flemmings Research: "It appears that the Department of Employment found itself well short of its targets at the end of December and was forced to make a special effort in the final quarter to catch up."

Thus potential entrants to the register faced a stiffer test

The unadjusted count of people out of work and claiming benefit yesterday increased by 3,788 to push the figure back over the 3m mark. The new total of 3,006,511 represents 10.7 per cent of the workforce. The seasonally adjusted rate of unemployment was unchanged at 10.5 per cent. More people joined the dole queues in April, but the monthly unadjusted inflow of 364,800 was 1,600 fewer than a year ago.

and existing claimants of state benefits were given priority in job placement over other job seekers.

The Department of Employment says it has found no evidence of a sudden switch of activity at Job Centres, the network of government offices which advertise vacancies.

Changes made to the claimant count register over the past decade have, however,

made it much easier to shift people off the unemployment register. The opposition Labour party has pointed out that there has been a big increase in the numbers on sickness and invalidity benefit since the mid-1980s.

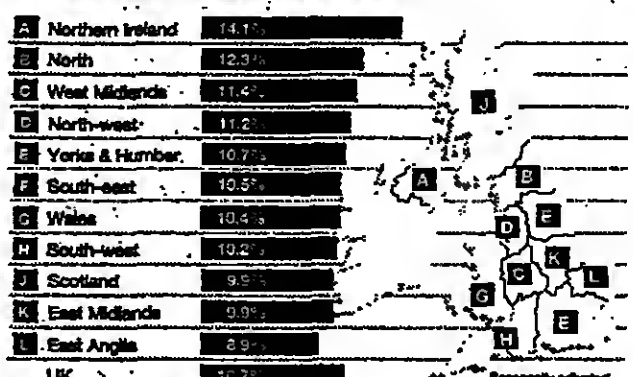
In Parliament this month the government said that while unemployment fell a seasonally adjusted 51,500 in February and March, the numbers on sickness benefit increased by 13,000, and on invalidity benefit by 28,000.

Mr Frank Dobson, Labour's employment spokesman, has produced letters from people saying that although not ill, they have been encouraged by the employment department to sign on for sickness benefit on the grounds that they will get benefit more quickly.

"We have also received letters saying that job centres are reserving large numbers of vacancies for those who are registered unemployed," he says. "This means groups such as married women who may be unemployed but aren't counted in the figures are stopped from applying for jobs."

Some economists have argued that the falls in unemployment simply reflect a pick-up in economic activity. Instead of lagging the recovery,

### UK unemployment: April 1993



ery, the efficiency of the labour market means it reacts more swiftly to changes in the domestic economy.

Few are happy with this view, not least because there is evidence to suggest that far from falling in February and March, unemployment rose.

The evidence includes:

- no significant change in the stock of unfilled vacancies;
- continued falls in manufacturing employment;
- continued falls in average weekly hours worked, albeit marginal;
- industrial sector predictions - the Engineering Employers' Federation has forecast that a further 99,000 jobs will be lost in the engineering sector this year while the construction industry expects a further 50,000 job losses;
- no pick-up in overtime;
- and because it is unusual

for unemployment to start falling so early in a recovery.

Mr Paul Gregg, of the National Institute for Economic and Social Research, says there can be little doubt that there is "a bit of reclassification going on".

The system is capable of putting more pressure on people to seek work, and unemployment claimants are more successful in getting the few jobs that are going.

Little can be done to check the validity of the official figures until June, when the first quarter labour force survey - which asks people whether they have looked for a job at any time during the past four weeks - is published.

The survey, which will show whether jobless people have been pushed off the unemployed register, will expose any massaging of the figures.

## Britain in brief



### Major denies obligation to rejoin ERM

Mr John Major, the prime minister, told the House of Commons there was nothing in the Maastricht treaty obliging Britain to rejoin the European exchange rate mechanism.

He rejected a suggestion by Tory MP Sir Peter Tapsell, a prominent opponent of the treaty, that at an earlier stage he had been advised that the provision entitling Britain to opt out from monetary union did not extend to the exchange rate mechanism.

The prime minister said the treaty made it clear that the British government retained responsibility for monetary policy in stages two and three of economic and monetary union so long as it did not participate in a single monetary policy.

### Call for SIB to oversee banks

Responsibility for bank regulation should be taken away from the Bank of England and could eventually be given to the Securities and Investments Board, the opposition Labour party said.

Mr Alistair Darling, the party's City spokesman, said the SIB should have overall responsibility for financial services regulation and should be given enforcement powers. But he said he was not advocating the "importation" of the US Securities and Exchange Commission. "We need a solution designed for the UK."

### EC downturn 'dents' exports

Order books are continuing to fill gradually but exports are being dented by sharp economic slowdown in Europe and especially Germany, members of the Confederation of

British industry in northern England reported. The CBI's regional council, meeting in Sheffield, said UK domestic markets were still fragile for many companies but an upward trend in demand was emerging.

### Pay deal for shipbuilders

Vesper Thornycroft, the shipbuilders, announced it had reached a two year 7 per cent pay agreement with its 2,000 strong workforce. This involves a 3 per cent basic wage increase this year with a further 4 per cent in 1994.

But the pay rise was conditional on the workforce accepting the introduction of a compulsory three shift system of working and the introduction of individual worker certification of quality levels in production.

### Hackers broke into Warburgs

Computer hackers broke into an international computer network belonging to SG Warburg, the investment bank, a London court has been told.

Mr Neil Woods and Mr Karl Strickland broke into one system operated by Warburgs and, gaining full system manager status, had access to the bank's computers around the world, Mr James Richardson, prosecuting, told the court.

Mr Woods, of Greater Manchester and Strickland, from Liverpool, had pleaded guilty at an earlier hearing to conspiring to obtain telegraphic services dishonestly, and engaging in the unauthorised publication of computer information. The two men are expected to be sentenced today.

### German artist fetches £2.3m

A painting by the greatest German romantic artist of the early 19th century, Caspar David Friedrich, sold for £2.3m at Christie's in London yesterday to the J. Paul Getty Museum of Malibu, California. The price, at the low end of the estimate, was a record for Friedrich. It is the first 19th century German painting to be acquired by the Getty.

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## NEWS: UK

Belfast rocked by terrorist explosion as counting starts in local polls

## Bomb overshadows elections

By Tim Cooney in Dublin and  
Ralph Atkins in London

THE CENTRE of Belfast, the largest city in northern Ireland, was rocked by a 1,000lb bomb yesterday, badly damaging the headquarters of the Ulster Unionist Party, and injuring 20 people just as counting started following local elections on Wednesday.

The bomb detonated as the army attempted to disarm the device by two controlled explosions.

Terrorists, believed to belong to the Irish Republican Army, planted the bomb in spite of an intensive security cordon which has been thrown around the city centre during the past week.

Security was heightened in the lead-up to the elections, in which candidates contested 582 council seats in 26 district councils around the province.

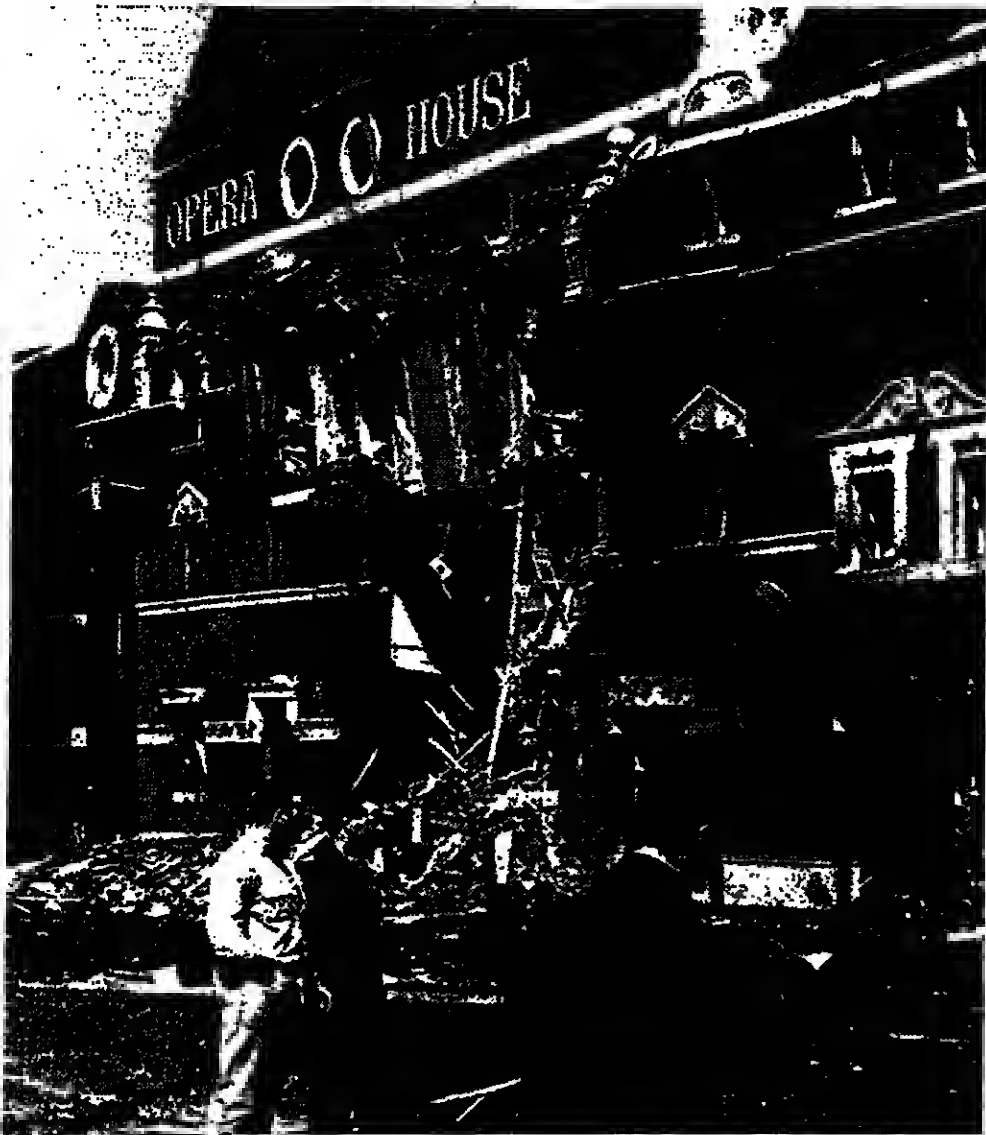
Mr Jim Wilson, the general secretary of the pro-British UUP said: "The IRA have identified their real enemy, the Ulster Unionist people of the province. They obviously know they didn't write us off at the ballot box and they won't do it with a bomb either."

Mr Joe Hendron, MP for the nationalist area of West Belfast, described the attack as "a dastardly act".

The bomb overshadowed counting in the local elections, in which the final results are expected to emerge later today. Early returns however suggest that the UUP vote has slipped from 31 to 30 per cent, while the vote for the hardline unionist party the DUP, and for Sinn Féin, has strengthened in the urban centres of Belfast and Londonderry.

If this early trend is confirmed by the final result, it will disappoint to Sir Patrick Mayheew, the Northern Ireland Secretary, who hoped that votes for the UUP and the SDLP, the more moderate parties on either side of the sectarian divide, would help his efforts to renew the inter-party talks on the province's political future. The talks were abandoned without agreement last November.

Sir Patrick is due to meet the leaders of Northern Ireland's main political parties, once the



A policeman surveys the damage outside the opera house yesterday in central Belfast

local elections are out of the way.

Two Anglo-Irish conference meetings, however, are expected before any round table talks begin - suggesting a resumption of negotiations that ended in November is at least another month away.

There is also seems to be only lukewarm support among local political leaders. Mr James Molyneux, leader of the Ulster Unionists, yesterday said low-key talks on local issues such as job creation were more productive than "phony circus talks".

## Businessman claims Nadir masterminded own escape

By Gillian Tett

THE BRITISH businessman who helped Mr Asil Nadir, the former chairman of Polly Peck International, fly secretly out of the UK, yesterday said the Turkish-Cypriot fugitive masterminded the escape plan himself.

Speaking from northern Cyprus, Mr Peter Dimond, a former aircraft dealer, who orchestrated the first part of Mr Nadir's escape, said Mr Nadir "organised it himself. He didn't need any one else".

Detectives from the Serious Fraud Office had previously indicated that they were seeking another individual said to planned Mr Nadir's route to northern Cyprus from the UK, where he faces charges connected to the collapse of Polly Peck.

Speaking for the first time since Mr Nadir fled the UK, Mr Dimond said new EC regulations, which do not require passport checks at the airfields, had made it extremely

easy to organise the flight, which had involved two aircraft, and six airfields.

According to Mr Dimond, his role in the escape had been in booking the twin-engine Piper Seneca plane which flew Mr Nadir from Compton Abbas airfield in south west England to Beauvais in France, where he was by a Citation jet. Mr Dimond and Mr Nadir flew on by jet from France to northern Cyprus.

Mr Dimond - who claims to be a long-time friend of Mr Clive Hughes, owner of Compton Abbas airfield - said he persuaded Mr Hughes to fly himself and Mr Nadir, whom he introduced as an "aviation friend", to France.

Mr Hughes yesterday insisted he had been unaware of Mr Nadir's identity. Mr Clive Velland-Boddy - owner of the Piper aircraft, registration number GBSFG - yesterday said he had not known who was using the aircraft.

According to Mr Dimond, his

connection with Mr Nadir was through his wife, Mrs Hope Dimond, who had met Mr Nadir when she studied in Switzerland in the 1970s.

Speaking from the family home in Hampshire yesterday, Mrs Dimond said: "It was basically a social connection - we were friendly with his family. We had no business connection with Mr Nadir or Polly Peck at all."

Mr Dimond said he decided to help Mr Nadir out of frustration with the way that the Serious Fraud Office had been handling the case.

"There was no payment for me. It was a simple act of friendship," he said.

Mr Dimond yesterday said that he had no intention of returning to England in the near future.

A former car dealer, Mr Dimond had previously run an aircraft dealing business, which collapsed at the end of 1980's, leaving him, he admitted, facing financial difficulties.

## UK Banks 'unlikely' to meet demand for loans

By Robert Peston,  
Banking Editor

UK banks are unlikely to be able to meet any significant increase in demand for loans over the coming few years, IBCA, Europe's leading credit rating agency, warned yesterday.

A report by IBCA on the seven biggest UK banks warns of "a limited form of 'credit crunch'" when the UK economy starts to grow, unless banks' profitability rises significantly above what most have achieved since 1985.

The report says banks need to earn annual post-tax profits equal to 12 per cent of equity if they are to make normal dividend payments and increase their assets, mostly loans, by 2 per cent a year after adjusting for inflation. A 2 per cent growth rate would be low by recent standards.

The seven leading UK banks have earned only a 7 per cent annual return on equity over the past seven years. Only Lloyds and Bank of Scotland have consistently earned more than 12 per cent in the period.

Banks would either have to continue to cut operating costs or push up what they charge for loans and other services to meet any significant increase in demand for loans without putting their balance sheets under excessive strain.

IBCA describes as a "myth" the widespread view that UK banks are well capitalised. "The capital position of the UK banks has deteriorated over the past seven years and, although the UK banks are still more strongly capitalised than the French or Japanese, they do not at the moment match the position of American or Swiss banks".

## Exports boost car output

By Kevin Done,  
Motor Industry Correspondent

UK CAR production rose by 4 per cent in April, helped by higher output for export markets, but production of commercial vehicles fell heavily for the third month in succession.

Car production increased to 113,286 from 108,902 in the same month a year ago according to statistics released by the Society of Motor Manufacturers and Traders and the Central Statistical Office.

Car output in the first four months at 477,796 was 5.7 per cent higher than in the corresponding period a year

ago. Production has been boosted by higher output for export markets despite the steep fall in new car sales in continental Europe.

UK production is rising as a result of the build-up of output by Nissan, Honda and Toyota, the three Japanese carmakers that have all located their first European plants in the UK.

Nissan is still planning to raise production at its Sunderland plant by 51 per cent this year to 370,000 from 179,000 in 1992, despite falling sales of its UK-built Primera family car.

Honda, which began output at its Swindon plant last October, is due to produce 32,000

cars this year, while output at Toyota's Burnaston plant near Derby is expected to total 36,000 in 1993.

Car output for export markets in April was 11.9 per cent higher than a year ago, while export production in the first four months increased by 8.5 per cent year on year.

Production of commercial vehicles in April plunged by 33.5 per cent year on year to 14,988, while output in the first four months at 74,188 was 17 per cent lower than in the corresponding period a year ago.

Production has been hit by the collapse into receivership of Leyland Daf in February.

## Hurd rejects fears of EC superstate

By David Owen

MAASTRICHT is not a blueprint for a European superstate, Mr Douglas Hurd told MPs yesterday as the bill implementing the treaty moved towards its final reading in the House of Commons.

The foreign secretary warned passionately of the dangers of eroding European competitiveness and to set out his vision of the Community's future.

He assured Euro-sceptics that their fears of a "lurch" towards a superstate were "misguided".

He concluded with a clarion call to MPs to "find again" the decisive will to act together in

the "great matters" where there was a common European interest.

Mr Hurd devoted a large slice of his speech to concerns that the costs the social chapter imposed on employers could have serious consequences for European competitiveness.

"More and more people" were concerned about the high labour costs European companies were "having to shoulder" compared with their international competitors.

The social chapter could "place in jeopardy many of the achievements of the last 14 years in freeing our labour market from restrictions which

destroy jobs."

His views were rebutted by Mr Jack Cunningham, Labour's foreign spokesman, who said the government's decision to exclude the social chapter was "fundamentally unacceptable".

Referring to the manoeuvring that had forced the government to remove the protocol containing Britain's social chapter opt-out, he said Labour had secured a "valuable legal situation" that may yet allow British workers to use the European Court to gain access to the chapter's benefits.

Turning to the future, Mr Hurd referred to a need to build a more decentralised and

diverse community in Europe that was both outward looking and "free trading".

The European Commission in Brussels should be made more accountable and the role of the national parliaments should be built up, he added. "We are no longer heading for a community in which diversity will be smothered or smuggled away."

Both Hurd and Cunningham described the treaty as "not perfect." But if Britain rejected it when ratification was completed or in sight in the 11 other member states, "our ability to promote and defend British interests would be diminished."

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## Sir Bernard Ashley's flowery farewell

Sir Bernard Ashley yesterday stepped down as chairman of Laura Ashley, the international clothing and home furnishings group, 40 years after the business was founded by his wife. His departure marks an end of an era for the company, and the symbolic completion of its transition from family-owned business to public company.

Sir Bernard was also reported to have sold about a quarter of the Ashley family's 49 per cent shareholding in the company yesterday. He had previously said he planned progressively to reduce the stake to about 25 per cent.

Although some other members of the Ashley family are involved in PR activities, none of them has an active role in running the company, which will now be headed by Jim Maxmin, the American chief executive, and Hugh Blakeway Webb, who moves up from deputy chairman to chairman.



Sir Bernard's departure was not unexpected, after the company admitted last month that he had not attended a board meeting since last May, and was devoting increasing amounts of time to his hotel interests in Wales and the US.

Laura Ashley said yesterday Sir Bernard had intended to retire for some time, and decided the 40th anniversary year was an appropriate time to do so, especially now the company seemed to be staging a recovery after several years of losses. He will become honorary life president and remain a non-executive director, as well as being involved in "conceptual design".

Hugh Blakeway Webb, a former barrister and partner of accountants Deloitte Haskins & Sells joined the company as deputy chairman in 1991 and has frequently represented Sir Bernard at board meetings. He has been an adviser to the family for some years and was involved in the 1985 flotation. He also helped negotiate the minority investment by the Asda group, setting the company back on a firm financial footing, and was involved in assembling the present management team.

## Linx to listen carefully

Linx Printing Technologies, the manufacturer of continuous ink jet printing equipment that issued a profits warning on Tuesday, has parted company with its sales and marketing director, John Sheard.

The parting was "amicable" according to Linx chief executive, Derek Harris, but follows recognition that the group's sales strategy had gone astray in Europe.

Replacing Sheard is John Cetti, who has spent eight years building from scratch the European ink jet business of Videojet, a company based in the US but controlled by GEC of the UK.

Videojet appears to have been among the companies taking market share from Linx and the other UK-quoted ink jet printer makers. Domino Printing Sciences, which six weeks ago also issued a profits warning.

While Linx and Domino may have run into trouble meeting their plans, they will both be aware of another UK competitor, Willett, a private Northampton company with sales of £50m, says sales of its wider range of products including ink jet printers are still growing in Europe, possibly as a result of selling through subsidiaries rather than through foreign distributors.

Harris said Cetti's arrival is the first stage of a reorganisation in Europe that has yet to take a firm shape. "We have to listen carefully to what John says now," he says.

Cetti will have responsibility for Linx worldwide sales and marketing operations.

John Wilson, previously general manager of exploration, has been appointed to the board of HARDY OIL & GAS. From 1960 to 1972 Wilson was head of the British Geological Mission in Peru and worked for BP until 1989 culminating in the position of business development manager responsible for Australasia and Latin America.

In 1990 he joined the energy unit of International Finance Corporation, a World Bank affiliate.

Jean Suanadean, formerly general manager of Avis' French operations, has been appointed chief operating director at AVIS EUROPE.

## Non-executives

■ What type of Guinness are you - draught or overdraught? British Nuclear Fuels' chairman John Guinness, 57, is used to being asked the question and is rather proud of the fact that he has reasserted his ties with the overdraught side of the family by becoming a non-executive director of Guinness Mahon, the city merchant bank founded by Robert Russell Guinness.

His father and grandfather were partners in the bank and his elder brother, Sir Howard, spent a couple of years there before joining S G Warburg. However, John Guinness is not the family's sole representative in the bank now owned by Japan's Bank of Yokohama.

Tim Guinness, 45, joint managing director of Guinness Flight Asset Management, has kept the family name alive, but he's a descendant of the brewing side.

■ Lord Parkinson, 61, the former Conservative minister of transport, is taking over as chairman of Starmin, the quarry products group in which the Abdullah brothers, Raschid and Osman, have a substantial interest.

Starmin, which has a market capitalisation of £16.8m and has just reported an after-tax



loss of £8.5m for 1992 after heavy asset write downs, has been hard hit by the recession. However, its balance sheet is stronger than many of its smaller rivals and it is understood that Lord Parkinson is keen to take advantage of expansion opportunities.

Lord Parkinson, a former non-executive director of Tarmac, joined Starmin just over a year ago as deputy chairman.

He will take over from the current chairman Owen Rout, a former senior executive with Barclays Bank. Rout, 63, who has been chairman for three years, will remain on the board as non-executive deputy chairman.

■ Pete Kerlet at DC COOK HOLDINGS.

■ Anthony Simonds-Gooding, a former group md of Whitbread who lost his job as chief executive of British Satellite Broadcasting when it merged with Sky, at ROBINSON & SONS, a private healthcare and packaging company based in Chesterfield.

■ Donald Carmichael, chairman and senior partner of Tyser and Co, as chairman at NHC (Aviation), in place of Alfred Kingsnorth who becomes deputy chairman and chief executive.

■ Ray Way as chairman at HAMPSON INDUSTRIES on the retirement of John Wardle.

■ Joe Palmer, former group chief executive of Legal & General, as chairman of SPRINGMAN TIPPER CAMPBELL.

■ Roger Rowland has retired from LAMBERT HOWARTH.

■ David Legg has retired from LEX SERVICE.

■ Philip Martin has retired from HAEMOCCELL.

■ Eric de Baigne, recently retired from Panmure Gordon, at THE QUARTO GROUP.

■ Rhys Williams, chairman of the council of the University of Warwick, a founder council.

■ John Salkeld, chairman of Southern Newspapers, as chairman at KYNOC GROUP, member of the Engineering Training Authority and a former director of GEC, at TRANSFER TECHNOLOGY GROUP.

## CONSTRUCTION CONTRACTS

### Servicing Public Record Office at Kew the oil industry

EDMUND NUTTALL has won a £4m contract from Peterhead Bay Authority to construct a new jetty and breakwater in Peterhead Harbour, Grampian region of Scotland. The jetty is to provide berthing facilities for North Sea service vessels, while the breakwater will give protection to a future marina development planned for the harbour area.

The main works involve the construction of a reinforced concrete jetty 170 metres long and 23 metres wide, supported on tubular steel piles. The breakwater will consist of a 250-metre long layered rubble mound.

Associated works include dredging and rock removal, the placement of graded fill over the existing foreshore and sea bed to reclaim a 180 x 40 metre storage area and a marine base area. Sheet piling, electrical and drainage provisions will also be undertaken.

The location of the works is to the west end of the ASCO (Aberdeen Service Company) south base berths within Peterhead Bay harbour.



A contract worth in the order of £10m has been awarded to HOW ENGINEERING SERVICES by the Property Service Agency for the new Public Record Office (pictured) at Kew Gardens.

Kew is already the largest repository for the national archives of the government and this new Public Record Office which is to be constructed predominantly as an

additional repository facility also includes offices, document conservation and other sundry areas.

A new link with the existing building is also to be constructed together with the refurbishment of part of the original building which will remain in occupation by staff and public.

The sophisticated and integrated mechanical and electrical

services incorporate addressable fire alarm systems with specialised smoke detection and low velocity air-conditioning system with building management to protect and serve the specialist requirements of the new repository.

In addition to the traditional M & E services How Engineering Services will be providing lighting protection, security and voice alarm systems.

### Office development in Marylebone

base car parking. The construction works pose a number of challenges that will require innovative solutions by Tilbury Douglas. The building is already partly constructed.

The first task of Tilbury Douglas's design and build team will be to evaluate the condition of the existing building structure, fabric and services.

Access will be restricted as the site of the inner city development is bounded by adjoining properties on two sides.

The offices will incorporate a high content of mechanical and electrical services.

The contract includes all internal fittings and fitting out of the office and reception areas and will be administered on behalf of IMS International by Monk Dunstone Associates.

### £30m orders won by Taylor Woodrow

Three new contracts won by TAYLOR WOODROW companies for facilities management and general construction work, in the defence industry bring the total value of current projects by the group in this sector to nearly £30m.

One of the latest is a £6m contract for works services management at three naval bases in the Plymouth area, won by Taylor Woodrow Management (TWM).

Another, worth £1.3m, was won by Taylor Woodrow Construction Southern (TWCS) for

refurbishment work at RAF Brize Norton. The third, for £2.2m of building work at RAF Northolt, was won by Myton, a subsidiary of the Taylor Woodrow group.

Work on TWM's three-year management contract is under way at the Royal Naval Engineering College at Manadon, HMS Raleigh training base, and the Royal Naval Gunners' School at HMS Cambridge.

TWM also has a three-year works services management contract worth £7m for two facilities in Portsmouth - the

Royal Naval Hospital, Haslar, and Fort Monckton.

The 18-month contract to refurbish the junior ranks mess at RAF Brize Norton near Witney in Oxfordshire, has begun. TWCS is also undertaking a similar refurbishment project at Castlemartin army training camp in Pembrokeshire, for completion this spring.

Myton's £2.2m contract to build a non-commissioned officers' mess at RAF Northolt in Middlesex is already under way.

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## MANAGEMENT

British companies are turning increasingly to mentoring, writes Lucy Kellaway

## Guiding lights

When Ulysses put his son in the care of his old friend Mentor while he began his epic journey, little did he know what he was starting.

Some three thousand years later mentoring has become one of the most fashionable areas in management development. According to a recent survey by the Industrial Society, 40 per cent of British companies have a mentoring scheme, and a further 20 per cent are thinking about creating one. The subject has spawned its own jargon, specialist consultancies, conferences and even a society with a database dedicated to mentoring.

But the idea could scarcely be simpler. A mentor is someone with experience who offers help and knowledge to someone junior. The mentor is not the boss, nor is he or she trying to teach anything specific. They are there to guide, listen and advise.

There is nothing special about that: most people on the rise have had their own career confidants, just as most senior people have had a protégé or two. Mentoring, as conceived by the human resource experts makes the process formal and, by doing so, creates a fairer system, less subject to politics and back scratching.

Mentoring as a science became established in the US in the 1970s, when an article in the Harvard Business Review argued that being a mentor distinguished a leader from a mere manager. Other US research found that top executives who had had a mentor did better than those who had not.

In the 1980s mentoring caught on in the UK as a way of helping graduates settle down in big companies. Now there are mentors for managers at all levels, mentors for disadvantaged groups of employees and even mentors for mentors.

The idea accords well with the latest management thinking: people "own" their development and in flat organisations, where people are no longer being told what to do by their immediate superiors, they need others to guide and help them. Despite the popularity of mentoring schemes, not all have been successful. Many of the early US efforts went wrong because they were too formal and established so many rules for the behaviour of mentor and mentee that the relationship was stifled. In the UK the problem has been the reverse. According to David Clutterbuck, director of the European Mentoring Centre, some companies simply said "You are a mentor, go away and mentor", and then were surprised when their schemes collapsed.

At a recent conference on mentoring organised by the Industrial Society, Clutterbuck said the most com-

MONITORING IS A TWO-WAY THING, STURGE. I GIVE YOU THE BENEFIT OF MY VAST EXPERIENCE AND INTERPERSONAL SKILLS, AND YOU BUY THE DRINKS



RIVER BENE

mon sources of problems occur when companies failed to:

- Prepare the mentor or mentee properly
- Set clear goals for the scheme
- Set clear goals for each mentoring relationship
- Provide support networks for mentors and mentees.

BT, the telecoms group, has addressed many of these issues and has established a large mentoring programme for its graduate engineers. The aim, says Adam Scott, an enthusiastic mentor and a director of BT, is to avoid the "rather muddled experience" he had when he qualified.

Scott, in common with every mentor, was selected as someone who not only had the

necessary experience, but also had "interpersonal skills."

The loss of senior management time is the main cost of the scheme - Scott estimates the six annual meetings he holds with each mentee cost about £1,000-£2,000. At the first meeting he sits with his mentee at his Apple Mac computer and they agree the terms of their relationship, its confidentiality and the subjects to be discussed.

Scott, in common with other BT mentors has been trained in the art. So, too, have the mentees and the line managers, who are left out of the relationship, but who need to understand and support what is happening. Every three months there are meetings for both sides to discuss shared concerns. Mentors

prepare regular reports on the process and there are support staff to solve problems. So far some 80 graduates have taken part and about 60 per cent have asked for the relationship to be continued once the formal two-year programme is over.

Although graduate schemes still predominate, there are an increasing number of mentoring programmes aimed at other well-defined groups of employees. At the Prudential, a mentoring programme has been designed for pregnant women, to make it easier for them to return to work afterwards. Mentors are chosen among women with similar experiences and who can help with the problems of juggling jobs and babies, offer advice on childcare and keep the mentee in touch with the company during maternity leave. The Pru says the scheme has helped retain staff in whom much has been invested and has made those who return immediately effective in their jobs.

The Pru has had little trouble finding women prepared to be mentors, but the same is not the case for companies establishing schemes for senior people. Indeed, those who want mentors for their top executives frequently end up seeking outside help.

One company that provides such a mentoring service is the consultancy GHN, which says it has mentored senior managers from around 200 companies. "At the very top levels it is almost impossible to handle mentoring internally. There are so many hidden agendas," says Susan Block of GHN. She denies that it matters if the mentor is ignorant of the ins and outs of the particular company. Instead, they must be good at probing, listening and questioning and may also need to deliver painful home truths. Such home truths do not come cheap - a year's programme of tailor-made personal development costs between £5,000 and £10,000.

Not every senior person wanting a mentor has to hire a professional. As Oxford Regional Health Authority has found out, some mentors are prepared to offer their services for free, even if they do not work for the same organisation. The authority has set up a nine-week programme for 100 chief executives and top health managers, which includes a confidential mentoring scheme. Each manager is responsible for finding their own mentor, who could come from another region or an academic institution.

There are limits, though, as Gary Hoyte, who helped to set up the scheme, admits. "If everyone in the country needed a mentor, perhaps mentor overload would set in. There would be a backlash, with everyone resenting the amount of time they were spending. But we are a long way from that now."

Christopher Lorenz

## The Major problem with quiet leadership



VISIONARY, charismatic, inspirational, extrovert, relentlessly energetic and assertive, even autocratic and arrogant. That, in a clichéd nutshell, is most people's picture of the effective leader, whether in politics, the military, or business.

Consider a representative list of such leaders: Churchill, Kennedy, De Gaulle, Thatcher, Montgomery, MacArthur, Alfred Sloan, Jack Welch, Lee Iacocca, John Harvey Jones, Anita Roddick.

But what about Dwight D. Eisenhower and Harry S. Truman? To quote the inimitable Peter Drucker, they were singularly effective yet "possessed no more charisma than a dead mackerel". Nor, in the usually accepted sense of the word (charisma, not mackerel), did Abraham Lincoln, Clement Attlee - Britain's first post-war prime minister - or Konrad Adenauer. In our day the same goes for such manifestly successful and "transformational" business leaders as Donald Petersen, ex-chairman of worldwide Ford, Geoffrey Whalen of British Petroleum, Sir Geoffrey Mulcahy of Kingfisher (UK Woolworths) and - arguably - Sir Christopher Hogg of Courtauld and Benteys.

All are shy and at best are average communicators on a public platform. Some are downright grey: the remarkably successful Mulcahy has been dubbed "Mogadon Man". Most are keen to listen and consult than to hold forth and believe strongly in team leadership.

Which brings us to the unfortunate and accident-prone John Major, Britain's nice prime minister. Over the past fortnight he has been vilified as never before - for possessing what appear, at first sight, to be similar characteristics and style of my second group of heroes.

How come the paradox? Does what works in business fail flat in politics? Or is Major a Petersen or Mulcahy in the making, if only his critics will get off his back?

Sadly for Major, he is less similar to the second cast-list than his admirers might think. The most obvious contrast is with Hogg.

Hogg may be "ultra-careful and terribly reserved" as a UK academic puts it, and he certainly inclines to consensus rather than assertive leadership-from-the-front. Yet he conforms completely to a description of outstanding leaders given by Peter Senge, a US academic expert on the subject. Rather than conventional charisma, "What distinguishes them is the clarity and persuasiveness of their ideas, the depth of their commitment and their openness to continually learning more," says Senge. "They instil confidence in those around them."

To some extent, Whalen and Mulcahy also fit this picture. They may be reticent, but at the same time their manifest drive and sense of strategic direction - even

if not quite a vision in the usual sense - create a sort of charisma, at least among close colleagues.

Petersen had that too, but also something rather different. His "vision" was as much to do with reforming Ford's internal structures and processes - creating what he called "a teamwork dynamo" - as with achieving distinction in the US car market, though he did that in spades. Every account of his tenure during the 1980s stresses his collegial, listening, and "enabling" style.

In theory, that makes Petersen the closest parallel to John Major - or, rather, to the way Major tries to operate. Which brings us to what academics would call the "systems differences" between political and business leadership.

Andrew Kakabadse, a Cranfield professor who studies business leadership in nine countries, boils the usual long list of key attributes down to three: "visioning"; good communica-

tions; and a "team orientation". Visioning involves a degree of creativity, but also the ability to make sense of immense "systems detail", he says. Communications must be consistently excellent, both internally and externally. Teamwork is more a matter of open, thorough dialogue, than whether the final decision is taken by consensus or autocratically.

Few leadership experts would score Major highly on clarity and consistency of vision. Most would agree with Philip Sadler, the former head of Ashridge Management College, that Major's goals are "unstrung beads". They lack the unifying thread which a good business leader finds vital.

On the second attribute, communications, Major has demonstrably failed to perform. Unlike reticent chief executives, who can delegate much of their external relations downwards to specialists, or upwards to an extrovert chairman, political leaders are only as effective as their own ability to communicate.

It is a moot point whether Major deserves a high score on the third key attribute, teamwork, in spite of his belief in it. Given the poor quality of so many of his government's decisions and subsequent climbdowns - or inconsistent refusals to compromise - it is far from clear that he is stimulating a sufficiently thorough team dialogue. Moreover, instead of allowing his more headstrong colleagues to take ill-considered decisions, he should, in common with Attlee or Petersen, show he has the steel to overrule them from time to time.

In politics as well as business, leaders who want to have staying power must tailor their style to changing situations. At US General Electric, Jack Welch has done that, becoming more consultative than a decade ago. Thatcher could not recognise or accept the need and suffered the consequences.

In Major's case the question may be more whether a halfway adequate manager can transform himself into someone who, however quietly, can galvanise others into cohesive action. Mulcahy had a decade to do so, Petersen two. Major has no such luxury.

## TECHNOLOGY

Crumbling highways and congestion have forced the US to re-think transportation, writes Victoria Griffith

## The intelligent car hits the road



roads will have outlived their useful life. Rather than patch up the problems in piecemeal fashion, the government is investing in new technologies to improve the roads' durability.

"The price of concrete, cement and other building materials is very small compared with the overall cost of construction," says Surendra Shah, a professor of engineering at Northwestern University and a leading researcher on innovative building materials. "So it makes sense to use the best material available, even if it is a little more expensive."

Construction groups are working with a slew of new materials to expand the lifespan of roads and bridges. Some new concretes, by using fibre and chemical additives, are attaining strengths 10 to 25 times higher than every-day concrete. One of the problems with concrete is that it is porous and thus susceptible to moisture-produced cracks.

Many companies have begun to use microsilica particles to fill in the holes and, thereby, to "waterproof" roads. "Microsilica is extremely effective in eliminating the permeability of concrete," says Kenneth Rear, technology manager at WR Grace, a big concrete maker. Concrete is also an extremely brittle material, highly susceptible to cracking. To improve bonding at an atomic level, some groups are experimenting with polymer additives such as carbon, steel, glass fibres and polypropylene.

These additives improve the flexibility of concrete, enabling construction companies to use thinner layers of the material in road construction.

"This new product is just as cheap as asphalt to use and far more durable," says Leet Denton, president of Denton Construction in Detroit. There are many other innovations to improve the quality of concrete.

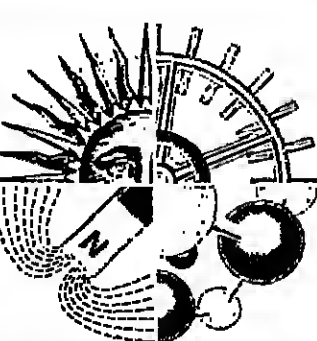
On a chemical group, Aro Chemical, is working on a chemical product which would pre-shrink concrete before it is laid down, reducing cracking later on.

And Danton Construction has championed fast-drying concrete which, through the use of high-grade stone and insulation blankets, can support traffic within four hours of being laid down.

Many of these products have come into use only recently in actual construction: others are still in the experimental phase.

However, most transportation authorities predict an avalanche of new innovations over the next few years. If they are right, US highways could soon leap from 1950s' technology into the 21st century.

### Worth Watching · Della Bradshaw



#### Making life easier for the tellers

The latest object-oriented software has been adopted by computer maker Siemens Nixdorf Information Systems to make it easier for tellers in banks and building societies to carry out transactions and sell extra services to their customers.

Each customer becomes a single "object" on the system, and attached to each are details of accounts, mortgages and other business with the bank. Information on SN-teller can be displayed and entered using a mouse and operating in the Windows environment, or in a keyboard format running under Dos, OS/2 or Unix. Siemens Nixdorf UK, 0344 862222.

• Siemens Nixdorf, AST and IBM have all announced the launch of PCs based on the latest, and most powerful, Intel microprocessor, the Pentium. IBM has also developed a means of upgrading older PS/2 machines with a Pentium processor. AST UK, 061 568 4350. IBM UK, 0705 321212.

#### Mixing up a time saver

Builders and do-it-yourself enthusiasts could save both time and money with a collapsible cement mixer, designed by a former engineer from Watford.

David Gawron's patented Gismix replaces the traditional mixer's steel drum with a synthetic rubber bag inside a web of telescopic tubular rods.

Packaged with the motor the mixer can be stored in a box in the corner of a workshop or garage.

Because it is light enough to carry, it can also be taken to the upper stories of a high-rise building without the need for a winch.

Once in production, the

Gismix should cost less than £100 to buy. Gawron UK, 0923 776 747.

#### Coded message for lost property

When disaster strikes - a fire or a bomb - it is difficult to match the items retrieved from the wreckage to its owner.

An asset management system using bar codes, developed by the Australian company Hardcat Systems, could make life easier.

Hardcat is a relational database which holds information relating to assets and cross refers them.

So floppy discs could be labelled with a bar code cross-referenced to the code of the PC on which they would be used. Hardcat: Australia, 03 696 0188; UK, 0276 855555.

#### Cool recycling technique

Freezing temperatures could provide an economical way of recycling used tyres. Aga has installed a recycling plant for the Swiss company Elude which uses a process called cryogenic fragmentation.

The tyres are shredded and fed into a tunnel where liquid and gaseous nitrogen cools the fragments to below -30°C. A hammer mill then pounds the chips which separate into their components: steel, textiles and rubber granules. The rubber granules can be used for athletics tracks and even rubberised asphalt for road surfaces. Aga: Switzerland, 61 821 7282; UK, 0203 650 566.

#### Packaging with flexibility

Researchers at Cambridge Consultants have developed an alternative to vacuum-formed plastic trays which relies more on origami than traditional packaging. Vacuum-formed trays are widely used in the food industry - to separate the biscuits in a packet, for example.

The CCL method folds paper or paperboard on the production line from a single roll of paper. The technique enables companies to change their packaging quickly if a new product line is introduced.

As plastic trays are rarely made on the packing site, stocks have to be held and separating the trays often has to be done manually. CCL UK, 0223 420024.

The experience of driving down a US highway has not changed much over the last 40 years.

The car models may be far more sophisticated, but motorists feel the same, often bumpy surface under their wheels and pass through toll booths which could easily serve as a backdrop to a film set in the 1950s.

But new technologies are about to shake up the staid world of highway transportation in the US.

In the pipeline are such innovations as stronger, more durable concrete surfaces and automatic sensors which collect tolls simply by debiting a motorist's bank account.

After trailing behind Japan and Europe for years in the area of transportation technology, the US is finally catching up, and in some cases, moving to the cutting edge of highway innovations.

The new attention being paid to transportation is triggered by necessity. Traffic problems are worsening, bridges and highways continue to crumble and the cost of repair is mounting.

These factors are forcing the federal and state governments to take a hard look at longer-lasting infrastructure.

If they succeed in extending the life of US highways, the savings

In two years, 35 per cent of America's interstate roads will have outlived their useful life

could be tremendous. The National Research Council, a privately funded research group, estimates that improving the durability of the country's roads and bridges by just one percentage point would yield savings to the federal government of between \$10bn (£6.4bn) and \$30bn over a 20-year period.

One reason that new highway technologies have been slow to take hold is that spending on infrastructure is ultimately controlled by bureaucratic state and federal governments.

However, the private sector, lured by government grants for research and the promise of a mass market for transportation products, is beginning to take on more responsibility.

State-of-the-art technology, known as "intelligent vehicle highway systems" (IVHS), is set to revolutionise the way Americans use their cars.

This new technology would allow car computers to gather and give off information on everything from road conditions to the number of passengers in the vehicle. Private and public-sector groups have formed a Washington-based

association, known as the Intelligent Vehicle Highway Society.

Among the association's long-term goals are the installation of computerised sensors on all federal highways to limit the number of stops a vehicle is forced to make. These sensors would aim to eliminate toll booths by debiting users' bank accounts as they passed through invisible borders. The sensors would also be equipped to weigh trucks in motion and offer computerised cargo inspection.

Once the system was in full operation, a truck could move across the country, petrol permitting, without making a single stop.

The new sensors would be useful, not only on highways, but on urban streets as well. In Los Angeles, a new IVHS project plans to install sensors at 4,000 intersections. The sensors would aim to minimise "wasted green time" - the period of time a traffic light stays green without any vehicle passing through.

When the flow of cars slowed down, the sensors would tell the traffic light to turn red, giving other cars at the crossing a chance to move ahead. According to IVHS, over \$200bn will be spent on these types of systems over the next 20 years. Some 80 per cent of that investment is set to come from the private sector and the remainder from federal and state governments.

"The US is the only country in the world with a 20-year plan for IVHS," says Fred Tucker, head of the automotive division at Motorola. Private companies, hopeful that the US can take the lead in this area, have been moving ahead with IVHS tests, and related products, such as self-navigation systems, should be on the market later this year.

In Orlando, Florida, General Motors and Avis, the car rental group, have just completed a market test for self-navigating vehicles. Drivers using the Avis cars were amused by voices that spit out directions, such as "Turn right at the next set of lights," and "You are three miles from Disneyland."

General Motors specially produced 100 cars for the project, all equipped with "talking" devices to give drivers directions and computer screens featuring maps of the area. Sensors on the cars let the computer know the exact location of the vehicle, enabling them to guide drivers. The experiment was so well-received that more comprehensive navigation tests are being organised in several regions of the country.

In a project in the Chicago suburbs, about 5,000 vehicles will be equipped with computers which will not only give directions but will also try to keep drivers away from traffic jams. The Chicago experiment, sponsored in part by Motorola, will not rely on

specially made vehicles but, instead, on the installation of systems similar to those the group eventually hopes to sell on the mass market.

Motorola will collect information from the cars' computers about their movements and relay traffic reports to their drivers.

"We'll use the computers to tell drivers about road conditions, traffic congestion and other information," said Joseph Ligar, who is heading the project.

Even the most sophisticated navigation systems, though, will not help much if the US does not move quickly to improve the condition of its roads.

A congressional report has warned that in two years, 35 per cent of the country's interstate

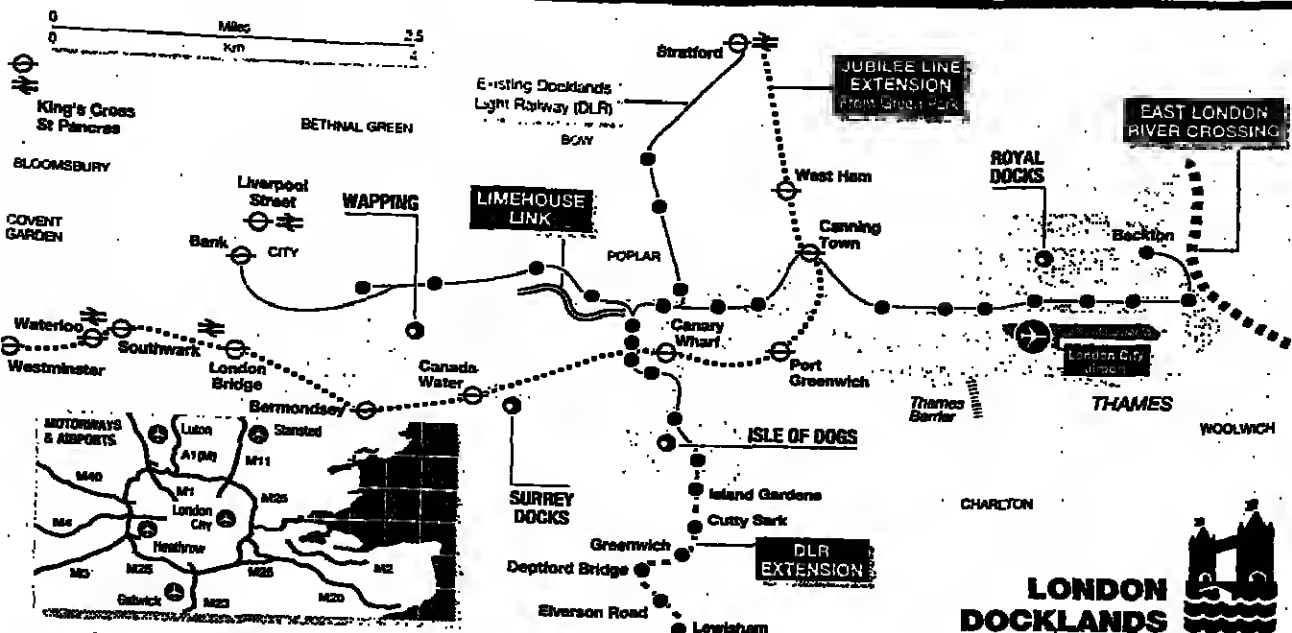


# LONDON DOCKLANDS

Friday May 21 1993

Once a gateway of world trade, Docklands' calm waters are now free for windsurfing: PAGE 4

Property scene: why Docklands' defenders believe fortunes can yet be transformed: PAGE 3



## May the best dream win

After serious setbacks for London Docklands – a £10bn, world-class experiment in urban regeneration – recent events seem to indicate that the worst may now be over, reports Michael Cassell

**L**ONDON DOCKLANDS has always needed its visionaries and dreamers. The last three years, however, have been more likely to generate nightmares.

The 5,000-acre riverside sprawl to the east of the British capital, a world-class experiment in urban regeneration and a marble-clad totem to the forces of free enterprise, was born at the dawn of Britain's entrepreneurial renaissance.

The economic boom years of the 1980s gave it a flying start as it set about showing the sceptics and the small-minded how government and business could unite behind a £10bn budget to transform dereliction and decay into a 21st century, wealth-creating community.

But as the debate intensified over the logic of a strategy which built skyscrapers first and roads second, so the swift transition from economic boom to recession piled problem upon problem down in the docks.

The story of how golden promise turned to dark despair has been well catalogued. An upstart rival to the centuries-old City on its doorstep, dockland's ability to usurp the traditional role of the Square Mile was always in question. The collapse of the UK economy – and in financial services and the south-east, in particular, seemed to provide the answer.

Land which had doubled in value between 1986 and 1987 was now unsaleable, along with the apartments which had boasted jacuzzis and six

noughts on the end of their asking prices. Companies which had been on the brink of moving in, pulled back, new development ground to a halt as the inventory of empty space rocketed.

The crisis of confidence seemed to spread to those with responsibility for docklands, both within the London Docklands Development Corporation and in Whitehall. The Department of the Environment, having raised expectations, decided against moving its own staff to the area.

The spectacular collapse of Canary Wharf, the most grandiose property scheme from the world's most ambitious property developer, also threw into doubt the future of the crucial, £1.8bn, Jubilee line underground extension. The government expressed regret – from the sidelines.

"Last September was the low point," recalls Mr Eric Sorensen, LDDC chief executive. "There seemed to be very little more that could be added to our problems."

Beyond Docklands, the public impression was that the entire project had shut down, that the area was set to revert to a wilderness. Yet the doom and gloom about what was always going to be a long-term project, with its fair share of ups and downs, may always have been a bit overdone.

In Dockland's darkest hour, more than 61,000 people were living there, a similar number were employed there and 2,500 businesses were operating

there. The economic fault lines could not detract, either, from the sheer physical achievements of some of the most enterprising developers and designers.

But the statistics were of little comfort in the immediate crisis. Mr Sorensen says, however, there was "no point in whistling the wind."

The best contribution was to press on with efforts to ensure that the all-important transport links were developed – "it was not just about physical construction; it was psychologically important for the whole area that we should make progress," he adds.

**T**HE LDDC has worked hard in helping to get the Jubilee line extension back on track and, following agreement by the European Investment Bank to inject £98m into the project, believes an important corner has been turned. A final go-ahead, however, is still awaited.

Other, recent events have conspired to offer some hope that the worst really might be over. Canary Wharf could soon be out of the hands of administrators, while the ill-fated docklands light railway is improving its unreliable image and expanding its network.

The opening this month of the controversial docklands highway, a dual carriageway running from the city to the London City Airport, will transform access, although there are fears of serious congestion around Tower Hill.

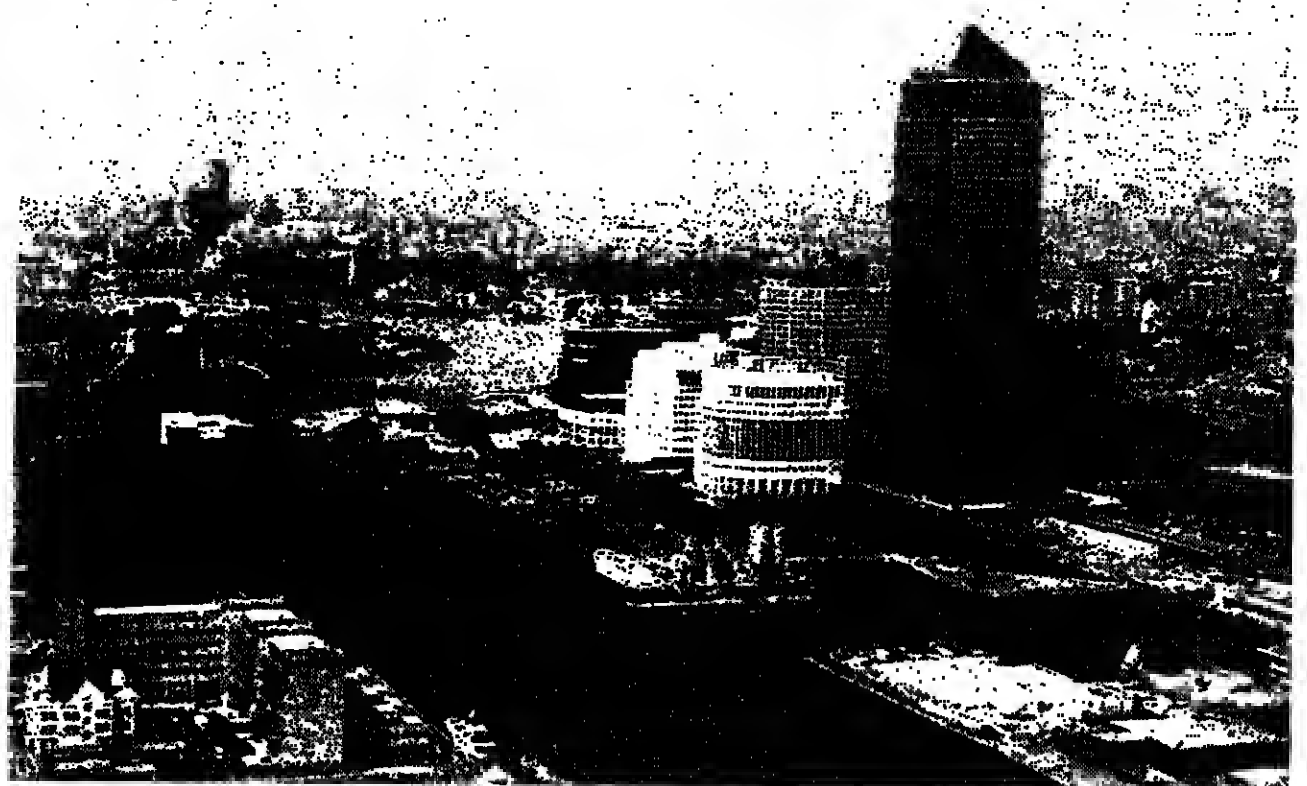
The airport itself is set for a significant expansion of its continental services, though the complex remains a loss-making enterprise and operators, Mowlem, have failed to find a partner to help them bear the cost. Its claim of being a 15-minute taxi ride from the city should now, at least, be met.

There are also hopes that the end of recession will more generally stimulate economic activity and allow Docklands to put its worst period behind it. Caution prevails but there are some straws in the wind.

Local housing agents say that there has been an improvement in interest among potential buyers and the commercial property market – sagging under the weight of unwanted floorspace – is being encouraged by the arrival of some significant occupiers.

Texaco, the US-owned energy group has just moved 1,000 headquarters staff from London's west end into Canary Wharf while Credit Suisse First Boston has brought in another 1,500. Canary Wharf, the giant "white elephant," now has 6,500 people working in it. Other arrivals include Peat Marwick, Morgan Stanley and Tower Hamlets council, with its 800 staff. Mirror Group Newspapers is also said to be considering a move into Docklands.

The LDDC itself says it is no longer keeping its head down on the development front. As the authority vested with own-



A new, £225m roadway, the underground Limehouse Link, greatly improves communications between Docklands and the City of London

ership of 550 acres of local land, it is again marketing some of its sites in a new air of optimism. It intends to release 25 small building sites this year and is brushing off previously aborted plans for an exhibition centre close to the Royal Docks. The corporation is also keen to pursue ambitious plans for an urban village on a 70-acre site in the same locality. It could ultimately be home for up to 5,000 people.

Housing developers are also back in business, with Barrett London and Fairview New Homes developing nearly 400 new homes between them. The emphasis, in contrast to the 1980s, is going to be on lower-cost housing, with prices on one of the developments

starting at only £39,000.

Foreign investment interest is also perking up, with the Bank of China recently completing the purchase of a block of 48 apartments on the Isle of Dogs. New efforts to attract inward investors from overseas are being made by the LDDC.

The position of Docklands as a vital, commercial bridgehead to the east of London was recently endorsed by the government when it announced plans for a "golden corridor" of development running along both sides of the Thames as far as Tilbury and Sheerness.

The proposals were immediately welcomed by the LDDC as evidence of the government's commitment to building up the economy to the east of the capital. Mr Michael Howard, the Environment Secretary, slapped down "critics and doom mongers" to suggest that Docklands will resume its growth once the economy gets under steam.

He was announcing the creation of a task force to spearhead long-term economic development along the so-called East Thames Corridor. The intention is to have a planning framework in place by March 1994.

Already, however, there are critics of the proposals, who point out that such a strategy could suck development away from the west of London. They also stress that much of the relevant land to the east of the capital has been ravaged by

years of industrial misuse.

Though Mr Howard spoke of docklands as a "great success story," his plans for further expansion to the east clearly revealed that lessons have been learned in high places.

A key to the plans will be ensuring that the development of the corridor co-incides with an extensive infrastructure programme. A more flexible strategy will also mean less concentration on office developments and the provision of a broader range of integrated projects.

The minister envisaged 100,000 new homes and 100,000 extra jobs in a decade. Virtually the same targets are shared by Docklands itself. May the best dream win.

### TRANSPORT INVESTMENT

## Envy of the capital

**D**OCKLANDS is caught in a trap when it comes to transport. On the one hand, it wants to secure investment in more and better links by stressing to government the inadequacy of the existing infrastructure. On the other, it seeks to lure investors by telling them how good its transport is now.

Amid the resulting confusion, the overriding impression is that the first of these versions is correct: that the government has let docklands down by failing to provide better transport. Indeed, the developers of Canary Wharf have directly attributed that project's financial failure to the inadequacy of the links between central London and the Isle of Dogs. But are these criticisms founded on reality, or myth?

To answer the question, it is necessary to go back to the beginning of the docklands story. It is sometimes forgotten just how modest the government's ambitions for docklands were when it set up the London Docklands Development Corporation to regenerate the area in 1981. Then, all it foresaw was the construction of 8.5m sq ft of light industrial premises. Clearly, east London's transport needs had to be looked at afresh, but at that time it seemed enough to improve the roads and install the "toy town" Docklands Light Railway on a shoestring budget of £77m.

That might have been the end of the story had it not been for the Reichmann brothers. But when they and their private property company, Olympia & York, arrived in 1987 with their grandiose scheme to turn the Isle of Dogs into London's third business centre (the other two being the West

End and the City), the transport plans were thrown into chaos.

Considering the scale of the demands being made on it, the government reacted with astonishing speed and generosity. Within months, it was carrying out detailed work on the options for improving dockland's transport infrastructure. The East London Rail Study was completed and published in January 1989, and in November that same year a Bill to authorise construction of the

main beneficiary of it, the government had secured an undertaking from Olympia & York that the company would make an up-front contribution of £100m towards the line's £1.8bn construction cost.

When Olympia & York collapsed, the company defaulted on its agreement, and construction of the line has been postponed ever since. In other respects, however, docklands is now looking well-served by transport. The main features of the infrastructure include:

- Office and industrial property; housing ..... page 3
- A growing community: movers and shakers who are helping to make Docklands work ..... page 4
- Amenities; leisure facilities; eating out ..... page 4

Jubilee Line extension went before parliament. More than £3.5bn was committed to roads, the Underground line and the upgrading of the Docklands Light Railway.

It is true that not all this transport investment went smoothly – but then, transport investment rarely does. Services on the Docklands Light Railway, for example, were continually disrupted by the upgrading programme.

Under pressure from Olympia & York to do something about the railway's poor performance, the government eventually stripped control of the line from London Transport and installed a new management team headed by Sir Peter Levene, the former procurement chief at the Ministry of Defence.

Worse, the Jubilee Line was never built. But that was the government's fault. Since it was the Canary Wharf development that had given rise to the need for the line, and since Canary Wharf would be the

● Roads: the £1.65bn roads and river crossings programme is virtually complete, with many roads opening ahead of schedule.

The single most important road, the underground Limehouse Link, opened six months ahead of schedule this month, greatly improving communications between docklands and the City. Barely a mile long and costing £255m to build, it is reputed to be *pro rata* one of the most expensive pieces of road in the world.

● Docklands Light Railway: Initially built for £77m, the Docklands Light Railway is now approaching the end of an £800m programme of improvement and expansion. It has already been extended to Bank in the City; an eastwards extension to Beckton opens in October; and a southward extension across the river to Lewisham is planned.

The line is now performing reliably, with capacity greatly increased.

● Jubilee Line Extension: the

government has pledged that construction of the Jubilee Line extension from central London to docklands will begin as soon as the private sector produces its promised £100m contribution.

Last month the European Investment Bank said it was prepared to plug the gap by lending £100m to whoever took over Canary Wharf from the administrators, but the decision is likely to take some time to translate into action.

● London City Airport: a £5m runway extension made it possible to introduce jet services at the privately-owned London City Airport in docklands last year, leading to an expansion of services.

The airport will also get a boost from the opening of the Limehouse Link, which it claims will put it within a 15-minute taxi ride of Tower Bridge in the City.

● RiverBus: a fleet of RiverBuses provides a novel form of urban transport along the Thames between docklands and central London, operating at 15-minute during peak hours.

So where does that leave transport in docklands today? Whatever else it may be, it is the envy of the rest of the capital – and indeed, the rest of the country – which has been starved of transport investment to pay for the £3.5bn being lavished in east London.

With Canary Wharf in administration and the rest of docklands lighted by the surpluses overhauling the property market, it could reasonably be argued that the real question is no longer whether the amount being spent on transport in the area is too little, but whether it is too much.

Richard Tomkins

## London City Airport has the shortest check-in time in Europe

Why waste time flying from anywhere else?



London's first airport designed for the business traveller is attracting an increasing number of loyal, regular passengers, which should come as no surprise, considering what a civilised experience it makes of business flying. No more than 20 minutes from the

City (30 minutes from the West End), with the opening of the Docklands Highways in May. No queues and a 10 minute check-in, London City Airport is the most time-saving, trouble-free way to fly on business to more and more places in Europe.

### LONDON CITY AIRPORT

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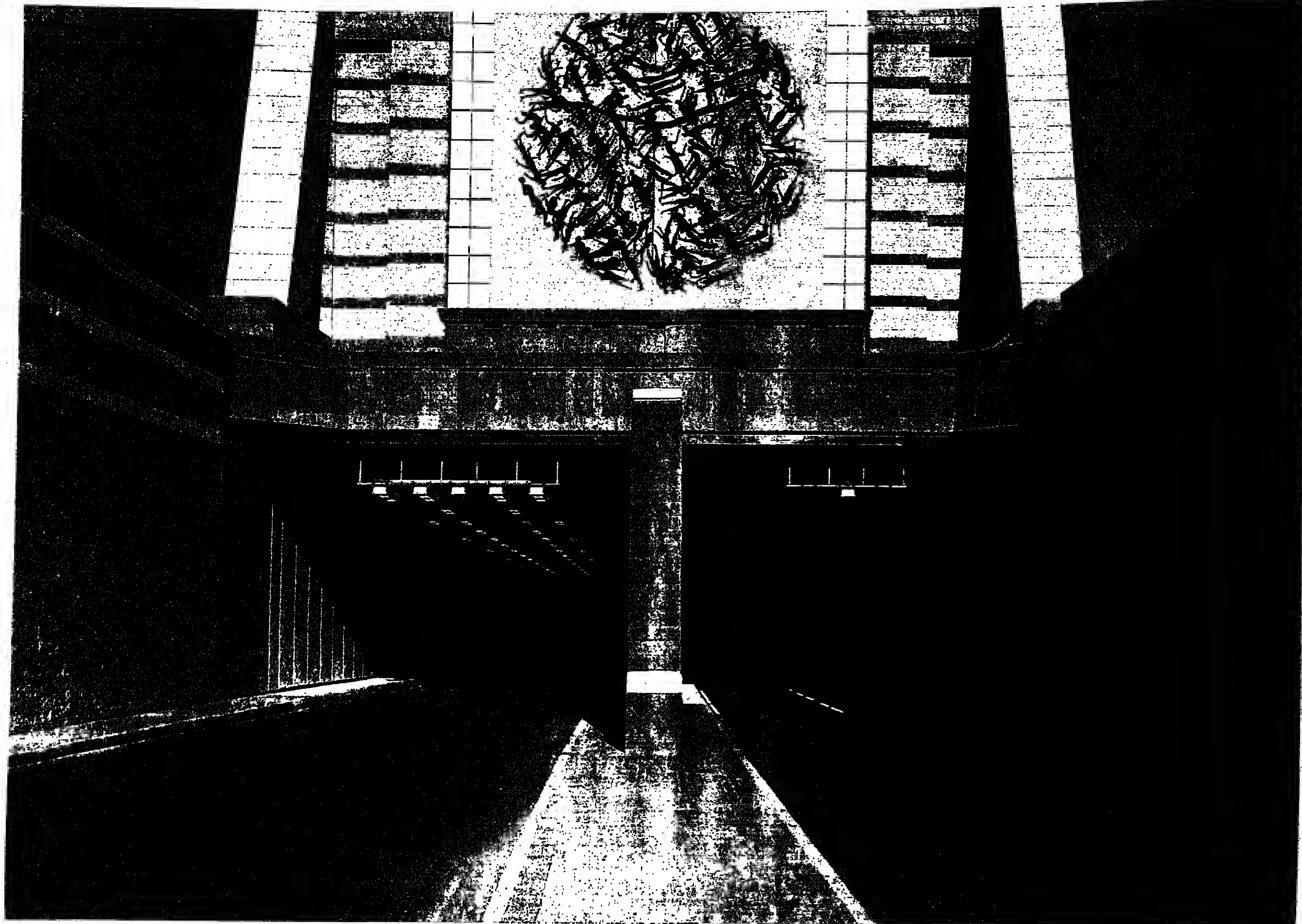
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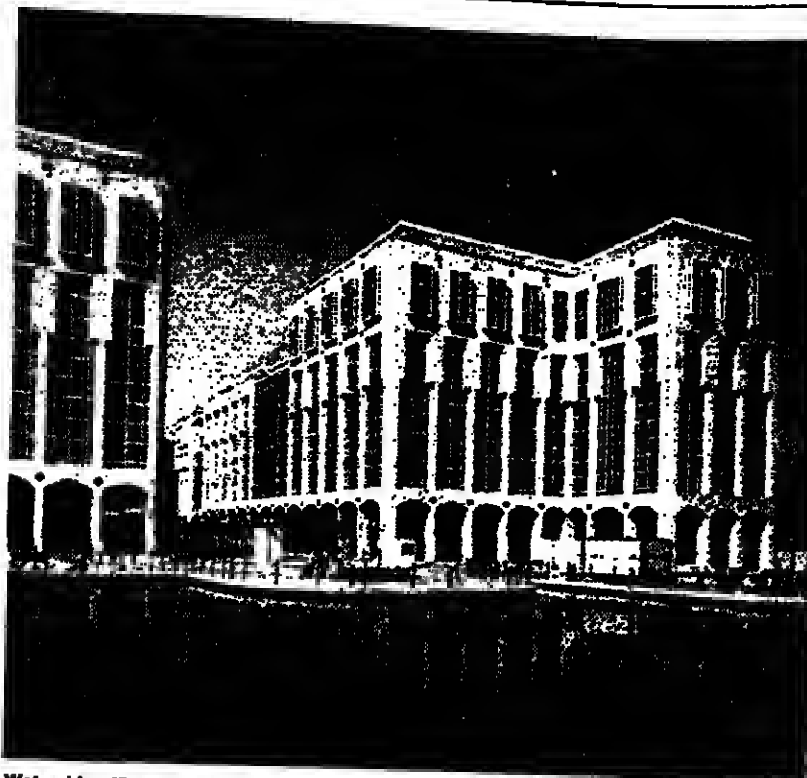
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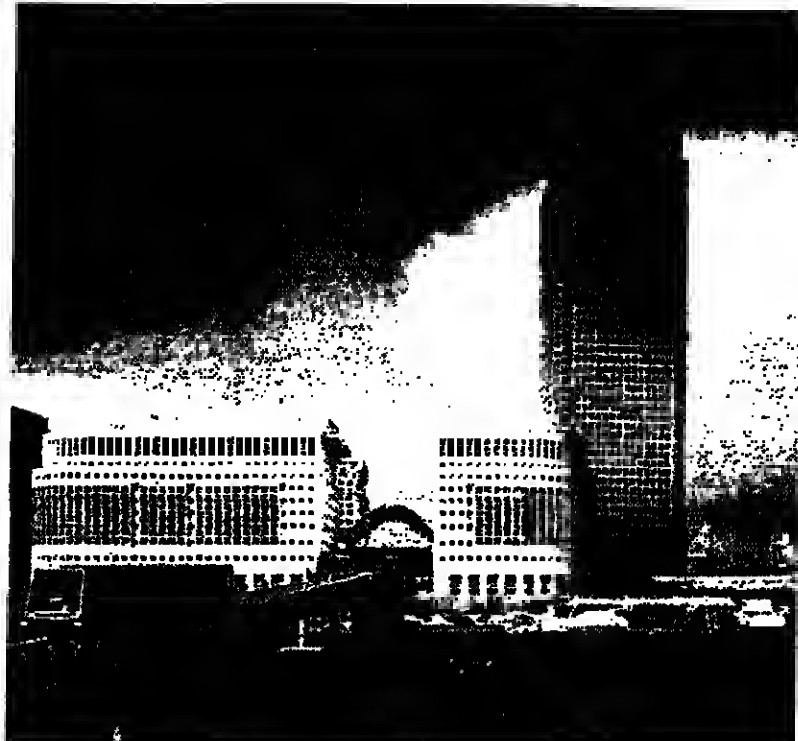
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Waterside offices at East India Dock



Canary Wharf with the Docklands Light Railway connection

## OFFICE PROPERTY

# Dockland defenders remain hopeful

**A** YEAR after Canary Wharf's insolvency sent shockwaves through the Docklands office market, opinion remains sharply divided about the sector's prospects for recovery.

The sceptics doubt whether the area has a chance of ever living up to the ambitious plans that were hatched in the second half of the 1980s. They believe that the high-profile problems of Canary Wharf and other schemes have dealt a lasting blow to the Docklands' prestige. Moreover, the over-supply in the City and weak demand from the financial services sector will severely constrain take-up of offices. At the current rate of take-up, there is well over a decade's supply of available office space.

But its defenders believe that within the next five years, its fortunes could be transformed. They think it can still fulfil its potential of being London's third business centre, along with the City and West End.

The area's champions draw encouragement from improvements to the Docklands transport system and the arrival of large tenants such as Texaco at Canary Wharf.

Moreover, they contend that Canary Wharf's move into administration was less damaging to tenant demand than was generally assumed, notwithstanding the decision of some of the Wharf's tenants, such as American Express, to abandon their move.

Interest in the Docklands from potential tenants actually increased after the insolvency of Canary Wharf, according to Mr Roger Parsons of Knight

Frank & Rutley, chartered surveyors - "we had a lot of people come and have a look purely out of curiosity. It raised expectations that there were incredible deals because everyone assumed the Docklands was on its knees."

Indeed, demand for office space in the Docklands showed slight signs of improvement last year. Take-up increased to 332,000 sq ft in 1992, compared to 192,500 sq ft in 1991, according to Knight Frank & Rutley.

The trend also improved in the first quarter of 1993, which saw the highest quarterly take-up rate of 213,503 sq ft, since the second quarter of 1990. However, it is unclear how sustainable this improvement will be. Some 90 per cent of the first quarter's take-up was the result of moves by three occupiers from in or immediately around the Docklands. The largest deal was struck by the London Borough of Tower Hamlets which in February announced that it would move its town hall to a 140,000 sq ft building in the East India Dock development owned by NCC, the Swedish development group and SPP, the Swedish insurance group. In addition, Northern and Shell, the publishers, bought

the 54,000 sq ft Marchant House in City Harbour and East London Telecommunications let 27,000 sq ft at Limeharbour Court.

Another notable deal in the LDDC's sale of three acres in March to the Lord Chancellor's Department, which announced plans to build a 150,000 sq ft courtroom complex in East India Dock. Other office tenants that have taken space in the past year include Endsleigh Insurance, which rented 24,000 sq ft in South Quay Plaza II in 1992, the Dept. of Transport, Sunrise TV and the National Therapeutic and Osteopathic Society.

**T**HE Western International University of Phoenix, Arizona agreed last summer to open a London campus that would occupy 20,000 sq ft of Glengall Bridge, a scheme by London and Edinburgh Trust and BICC Development at Millharbour. Another educational establishment, the European Language School, also took space in the scheme.

The attraction of the Docklands for most incoming tenants is price. Typically, a new tenant would pay £10 per sq ft for a ten year lease, with 2% years rent free. Furthermore, the Uniform Business Rate of around £10-15 per sq ft for top specification space is cheaper than in the City and West End rates where it averages some £23 per sq ft. However, the 1995 revaluation, which is based on rental values in April 1993, will reduce this differential.

Although there has been a trickle of small and medium-sized deals in the past year, the Docklands will need to attract large office users before it has a realistic chance of recovery. Some 57 per cent of available space of available space in the Isle of Dogs (which totals 2.87m sq ft) is in buildings over 200,000 sq ft.

Unsurprisingly, Canary Wharf dominates the market. It accounts for half the available space in the Isle of Dogs, which in turn accounts for 84 per cent of the LDDC area. Its prospects remain highly uncertain. Since the project moved into administration, it has attracted little interest from tenants. Even with an economic recovery and a resolution of the uncertainty surrounding the Jubilee Line extension, the prospects of filling up the 4.5m sq ft project are dimming.

Recovery in the Docklands expanded and land values rose. Nonetheless, the area had successes in bringing in high-tech industry, particularly in the case of the telecommunications industry. For instance, a telepoint was opened at North Woolwich to handle satellite communications for financial business services.

National newspapers were also important investors. The printworks of the Daily Mail, Guardian, Daily Telegraph and the FT moved in to Surrey Quays, Millharbour, Isle of Dogs and Leamouth. They were attracted to Docklands by its enterprise zone status, its good communications, large sites and easy accessibility to Central London.

The tax breaks have now expired, although the other attractions remain. The effort to attract new users to the area is likely to focus on the limited number of manufacturing activities that benefit from proximity to central London.

Potential occupiers may include perishable food processors serving the Central London market or businesses associated with telecoms, data storage and transmission and computer centres. There may also be demand from warehouses for distributors serving the London market, although planners might be reluctant to give permission to buildings with relatively low aesthetic appeal or employment potential.

The difficulties of attracting industry to the inner cities means that more industrial development cannot play more than a partial role in the regeneration of the docklands. But the area's greatly improved infrastructure and its over-supply of offices makes a good case for putting a greater emphasis on industrial development.

**Vanessa Houlder**

## HOUSING

# New mood of realism as market stirs again

**T**HE story of the rise and fall of docklands is neatly encapsulated in the experiences of its housing market. In the late 1980s, the vision of glitzy, futuristic apartments, their yuppy inhabitants swilling chilled wine behind unwelcoming, electronic gates appeared to say it all - despite the fact that nearly two-thirds of all house sales went to local residents on more modest means.

Docklands was perceived as the front-edge of a brave new world, built on a booming financial services market in which the smart but inexperienced could make big bucks and buy a swanky home just a few minutes drive from the office in the Porsche Carrera.

But the bubble burst and with it went the over-confident, over-mortgaged newcomers who had been ready to pay up to £800,000 for a new lifestyle and a private mooring. The values of homes built for trading, rather than for living in, collapsed and the story turned sour.

It was not a story exclusive to Docklands but, somehow,

**Despite a recent surge of interest among buyers, caution remains the overriding theme**

the calamity seemed all the worse, given the promise which had been held out by its creators and promoters.

A recent report from Ancer, the property consultants, showed just how bad things became. Last year, it says, only 230 new residential properties were sold in Docklands - well under a third of the total sold in 1990 and the lowest number recorded in more than a decade.

At the worst point, the London Docklands Development Corporation calculated that around 1,500 completed homes were looking for buyers, approaching 15 per cent of the total number completed since the LDDC arrived.

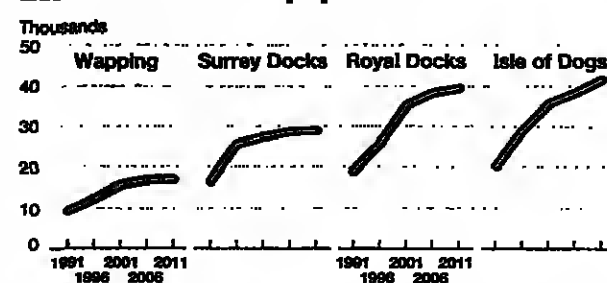
Prices, on average, have fallen by between 30 and 35 per cent across the board, not only an indication of collapsing demand but of the absurd, temporary overheating which hit the market in the latter stages of the 1980s boom.

A new mood of realism means that apartments like those at Clippens Quay, originally valued at £195,000, are being sold now for £120,000.

Now, after a prolonged period in which owners and developers have licked their wounds, there are some signs that the worst is over and that the local housing market is again stirring.

Caution, however, is now the overriding theme. Mr Mike Bignell, the LDDC's head of property marketing, says there was

## London Docklands population



a surge in interest among buyers at the very start of the year, but it tailed off in March - "it's been up and down. We are still waiting to see if there has been any significant improvement again," he says.

There is also some evidence that, once again, interest is beginning to rise among foreign investors, who played a role in the market during the late 1980s.

At the same time, it appears that sales of residential property for investment purposes are accounting for a growing proportion of those transactions which are taking place.

Investors can expect a gross rental return of up to 12 per cent on their property, against a realistic return on more central London properties of up to 9 per cent, according to one local agent.

Some of the property experts are already proclaiming the Docklands revival is underway. Ancer reports a "sudden surge" in sales, with clear signs of renewed strength after four years of weakness. But however optimistic the noises, there is little doubt that any increase in activity will take a considerable time to work through in terms of rising prices.

After the knocks of the late 1980s and early '90s, the LDDC is gearing up for renewed activity in its role as vendor of development land. Over the next year it plans the phased release of 13 development sites, a significant increase on the previous twelve months.

The return of private developers is seen as essential, given the ever-present dangers of housing estate "ghettos" if development is left only to the public sector. A mixed community of housing remains the driving philosophy for the area.

The LDDC is negotiating land deals in several locations, including a key site at Beckton. It is also releasing a development site in the same area by organising a competition among builders.

Price alone will not be enough to win. A developer will be selected on the basis of the proposals submitted, with attention paid to the type of housing and the time-scale envisaged among other factors - "we are not yet ready to consider tendering sites," says Mr Bignell.

Builders are certainly renewing their interest in the area, albeit cautiously. Having sold nearly all the properties on its Hithes Point development, Barrat London has started work on Sovereign View, a former wharf on Surrey Docks, which will provide 275 homes and apartments. Prices will start as low as £55,000.

Fairview New Homes is also building in Docklands for the first time, developing 113 low-cost starter homes on a 2.4-acre waterside site at Timber Wharves, Isle of Dogs.

Prices on the development, which has yielded the first

**There is a growing number of sales of residential property for investment purposes**

land deal of such a size for four years, will start as low as £39,000.

There are also some housing association schemes under way, a sector of the market which for a time has represented the only meaningful development in the area.

The LDDC is now, above all, looking for a period of equilibrium in local housing. It wants to place the emphasis, initially, on low-cost housing and will then release what it describes as higher quality locations as market conditions permit.

It is particularly excited about the prospects for developing an urban village to the south of Royal Victoria Dock. The LDDC envisages 300 housing units being built over the next two and half years and - in a rolling programme - wants to see 7,000 homes and a complete community in place within seven years. The infrastructure is already in place.

Such schemes point to the way ahead. There are few who believe that the return of super-luxury property developments is, once again, just around the corner.

A great many fingers have been burned in the last three or four years and Docklands realises that it will not be in its own interests if the local housing market is exposed to another damaging debacle. According to Mr Bignell, "this time round, it is all going to be much more down-to-earth."

**Michael Cassell**

## INDUSTRIAL SECTOR

# A return to favour

**F**OR most of the 1980s, the industrial sector's role in regenerating London Docklands was eclipsed by the rapid growth of the office sector. But in the wake of the slump in the Docklands' office market, the sector's potential is being re-examined.

The London Docklands Development Corporation has commissioned Knight Frank & Rutley, chartered surveyors, to consider the prospects of attracting light industry to the area. Although the findings have not yet been published, they are likely to show that there is scope for putting more emphasis on industry property.

"The fact that the LDDC is now seriously considering industrial development in the Docklands is logical and sensible in view of the infrastructure and spending already accorded to the area and given the state of the office property market," says Mr Stephen Mallen, head of property research at Knight Frank & Rutley.

A greater emphasis on industrial development would build on an established base. The docks traditionally had numerous industries related to the import and export of goods, even though it was rarely associated with heavy manufacturing. North Woolwich and Silvertown are still important areas for manufacturing and service industries. For instance, long-established com-

panies include Pura Foods, refiners and bottlers of edible oil, in Leamouth and Tate & Lyle, sugar refiners and Charterings, the brewers in Silvertown. That said, the past two decades saw a rapid decline in industrial activity. The closure of the docks left many riverside industries with no long term prospect of survival.

Some critics of the LDDC think that it did not do enough to tackle the continued decline of the area's traditional industrial and manufacturing base - "the LDDC has consistently encouraged and even accelerated this decline. Rather than use its power and resources to assist local industries, the Corporation tends to see them as a barrier to regeneration," said the Docklands Consultative Committee, a group set up by the area's local authorities.

The LDDC did not accept this criticism. It pointed to the support it gave businesses through serviced industrial sites at Coney Road, north of Canning Town, Crescent Street in E16 and the Poplar Business Park, together with the London Industrial Park that Newham set up in Beckton. Various

government grants such as City Grant are also available. The LDDC has earmarked 42 acres of land for light industry. The proposed sites are four acres at Quebec Way in Surrey Docks, seven acres at Coney Road, north of Leamouth, 11 acres on the south side of King George V Dock and 20 acres on the south side of Albert Basin.

**S**OME critics suggest that these sites may have problems attracting occupiers. Access may be too difficult and the high building and landscaping requirements too onerous to suit some potential users.

However, a change in policy which allowed industrial or distribution companies to use better sites might ultimately be considered a wasted opportunity. Having invested heavily in upgrading the area - some £500m has been spent on infrastructure in the Royal Docks - it holds out the hope of attracting prestigious occupiers, such as a business park or corporate headquarters.

A decision to encourage industrial development would, in some respects, be a break

with the past. The architects of the dockland's regeneration had an ambivalent attitude to manufacturing industry. They did not want to "condemn Docklands to its past," as Mr Reg Ward, its first chief executive, put it. The efforts made by local authorities in the 1970s to bring back manufacturing industry were considered to be futile. Moreover, the Docklands, they believed, had the potential to be more than a routine industrial development area.

The LDDC got the chance to prove this in 1982, when the Government set up an Enterprise Zone covering 400 acres on the Isle of Dogs and Lea Estuary. This gave a ten-year exemption from rates and allowed 100 per cent tax write-offs against the capital costs of non-residential buildings.

Although the government had expected the Enterprise Zone to encourage industrial expansion, the LDDC believed it could also be used by office users, who would be attracted by the ability to write-off their investment against tax.

"We used the EZ in an entirely different and somewhat 'maverick' way... to make the Isle of Dogs an office and commercial location rather than confirming it as an industrial one," said Mr Ward.

Builders put up flexible 'business space', which could be used for activities ranging from warehousing, production, research and development and offices. Although these were mostly successful, the emphasis increasingly switched to office developments in the 1980s as the service sector

expanded and land values rose. Nonetheless, the area had successes in bringing in high-tech industry, particularly in the case of the telecommunications industry. For instance, a telepoint was opened at North Woolwich to handle satellite communications for financial business services.

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**Vanessa Houlder**

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# Travel into the future

Docklands Light Railway is being transformed into one of the world's finest light rail systems, as an integral part of transport in London.

An £800 million programme of investment has seen the system link with the Underground at Bank and will shortly herald the opening of an eight kilometre extension to Beckton.

A new signalling system, a new fleet of trains, and further track improvements will mean a more flexible and efficient service throughout the enlarged network, and by Spring next year potential capacity to the Isle of Dogs will have more than trebled to 24,000 passengers per hour.

With journey times of around 10 minutes from Bank to Canary Wharf and 20 minutes from Bank to London City Airport (via shuttle bus service from Canary Wharf), the Docklands Light Railway is going places, fast.



**DOCKLANDS LIGHT RAIL**



## LONDON DOCKLANDS 4

## LEISURE FACILITIES

## Plenty of surprises – old and new

**I** WAS on my way to the Surrey Docks Watersports Centre when I came across the story of the whale oil which lit the lamps of London.

At the Watersports Centre, you can sail, canoe or windsurf if you are over eight years old and are able to swim 50 metres in light clothes. The whale oil story, less bracing but more intriguing, is on a Docklands Heritage information panel near the water's edge at Greenland Dock.

It says: "Two hundred years ago, you would have been unhappy aware of the awful stench of rotting whale blubber. Each spring, small ships left here for six-week dashes to the icy, storm-blown Arctic waters off Greenland. Half-rotten whale blubber was brought back in casks and boiled in huge coppers on this dockside to extract the oil. Much of it was used to light the streets of London."

Two hundred years later, the lights are no longer lit with oil and whale hunting is frowned upon. The part of the dock on

Docklands has acquired an awful reputation in some quarters. Some of it comes from local activists who objected to the breakneck development of the 1980s. More of it comes from people who have never been there but have persuaded themselves, all the same, that it has been a disaster.

Many critics, in this newspaper as much as any other, have excoriated the architecture, the "toy-town" Docklands Light Railway and much else. I cannot understand why. It is true that some of the office buildings is uninspiring. But some of the shopping areas in restored wharf buildings are excellent. And much of the residential development, low-rise and brick, is a distinct improvement on most of what was done all over London in the three preceding decades.

Some of the nuttily buildings at Canary Wharf – with their transplanted, straight-out-of-the-box, North American look – do bear a startling resemblance to the hotels at the Euro Disney theme park outside Paris.

But the queues are shorter at Docklands than at Euro Disney and entertainment is available at a fraction of the price. The Docklands Light Railway swoops and veers like a fairground ride. It is easier on the stomach, however, than Disney's Big Thunder Mountain and you can get on and off as you like.

If the threat of IRA bombing had not ended plans to allow visitors to ride the lift to the top of the Canary Wharf tower,



Wet biding at the Royal Dock: Docklands has 55 miles of waterfront

there would be no reason to visit the Paris theme park at all. Unlike Euro Disney, Docklands' surprises are uncontrived. They slip from the layers of the past that you unravel on each visit, rather than from the minds of the Disney imaginers.

So far-reaching were London's trading links, that there is hardly a foreign visitor who is not going to find some Docklands connection. There is, for example, the Nor-

way Cut Swing Bridge, Finland Quay East and West India Quay. Did you know that the Mayflower, which took the Pilgrim Fathers to America in 1620, departed from the riverside quarter of Rotherhithe? Or that its captain, Christopher James, is buried in St Mary's churchyard, a short walk from the river?

Rotherhithe is a quiet, clean, settled-looking place. The residents could make

much more of their American connection if they wanted to. Perhaps they don't. The restored 16th century pub, which was once called the Spread Eagle, is now called the Mayflower. But apart from a small plaque explaining this, it doesn't shout about it.

The parish church of St Mary, Rotherhithe, has been a site of Christian worship for nearly 1,000 years. The current church, splendid in the spring sunshine, replaced one built in the twelfth century. It was completed in 1715 and was designed by John James, an associate of Sir Christopher Wren. It beats Sleeping Beauty's Castle.

A little more care could certainly have been taken to ensure that transport links were developed along with the offices and homes of the new Docklands, rather than as an afterthought.

Some of the new transport facilities are already looking run-down. Island Gardens station, through which many tourists pass on their way to the Greenwich foot tunnel, was strewn with litter when I was there.

But all these moans to some extent miss the point. To travel through Docklands is to realise that it has often been a place of chaos, of failed dreams, of wild booms and busts, of perseverance against the odds.

German air raids in September 1940 destroyed all the timber in Surrey Docks – 350,000 tons in one night.

The flames were visible 30 miles away. On 57 consecutive nights from September to November 1940, 25,000 bombs rained down on Docklands, making them the

most heavily bombed civilian target in the country. But they stayed open.

Once a gateway of world trade, Docklands' calm waters are now free for windsurfing. On dry land, others had new aspirations for the area. No longer the destination of the world's trading ships, some – such as Paul Reichmann, Canary Wharf's failed developer – believed London's docklands could be the electronic gateway to Europe, providing the data from which business would be done at the tap of a computer key.

Those new developers have failed another layer to the Docklands saga. Future visitors might see the results of the high-water mark of a greedy time whose nemesis was both inevitable and richly deserved. Or they might regard the new buildings, homes and shops as a testament to a much-maligned decade in which, for all the accompanying chaos and rough manners, a somnolent nation awoke, however briefly, to the promise of

There is no leisure activity in Docklands which beats wandering around its many varied areas

the future. Both interpretations assume the failure of Docklands in its new guise. But that failure is not inevitable. Docklands in its high-tech, electronic form, might rise again. What, after all, is a four or five-year property slump in a city as old as London?

In the Docklands Visitor Centre, a history of the area tells us that London's prosperity died out after 410 A.D. But the city boomed again, even if it did take 300 years.

Michael Skapinker

Once a gateway of world trade, Docklands' calm waters are now free for windsurfing

which the information panel appears is now called Rainbow Quay after "the Greenpeace ship Rainbow Warrior which campaigned against whaling."

In 200 years' time, visitors to Docklands may find the story of the twentieth century anti-whaling movement as interesting as the oil lamps of London. For the record, there are 11 watersports centres in London Docklands, a 200-metre artificial ski slope, three urban farms and dozens of pubs and restaurants, some of them very old. There is no leisure activity in Docklands, however, which beats wandering around.

Michael Cassell talks to some of the movers and shakers who are helping to make Docklands work

## Activists with a fresh spring in their step



Peter Turlik: strategist



Malcolm Hutchinson: bright future



Eric Sorenson: wide experience



William Charnock: confident

**D**OCKLANDS is both a very old community and a very new one. Some of the people who live there have roots in the area which extend back for generations; others have been there only months or years.

But, together, they have a common interest in ensuring that one of Europe's largest development projects is a success.

For some people, the priority has been the completion and operation of vital elements of the area's commercial infrastructure; others have been concerned to ensure that the all-important, social aspects of a developing riverside community attract equal attention.

Most at least agree that Docklands is beyond the point where division and disagreement are useful. Despite inevitable, continuing friction, the emphasis is on working together as much as possible for the benefit of the entire community.

"We all fought with the development corporation but, if you can't beat them, join them," says RITA BENSLEY, a lifelong docklands resident and prime mover in the Docklands Business Initiative. It was formed last year principally to lobby government for a go-ahead to the Jubilee line underground extension.

Mrs Bensley, despite other community commitments, jumped in to help. Though she held many doubts about the way the area was being developed, she believes the underground extension is vital for dockland's future.

She helped organise a petition for the extension among the local community – which raised 2,500 signatures on the first day – and then accompanied it to Downing Street. The government, she says, has to show its support for the east end of London and docklands in particular, which "many people think has closed down."

Mrs Bensley is also chairwoman of the Association of Island Communities, a docklands umbrella group which has been fighting for local people for more than 50 years. She is administrator at a local community centre and also helps out at an old people's club room.

The Jubilee line will bring in more employment, some of it for local people. If it goes ahead, it will be wonderful news. The people of docklands have been forced to live on a building site for ten years. We've had the coffee, now it's time for the cream."

Another high-profile activist is PAT WARD, a former Barclays Bank man who came to docklands in the mid-1980s to establish his bank's presence

in the area. Made redundant, he joined the Isle of Dogs Community Trust, becoming its director in 1991.

The trust, which was set up in 1989, raises funds from the business community and distributes them within the local community. It has to date given about £200,000 to a variety of organisations. Bids for grants of up to £1,000 are considered and the trust also has other funds to help larger self-help projects. Mr Ward says: "We are helping to create permanent links between local business and community which are of benefit to everyone."

LES WEBBER is chairman of the Docklands Business Club, which was started in 1984 by dockland's "early settlers" when wellington boots were still the order of the day.

Mr Webber, the club's third chairman, says it has suffered in the last 13 months, given the recession and lack of confidence in docklands. But membership has again started to rise, with around 450 names now on the corporate register. They include Ogilvy & Mather, BT, Tate & Lyle and recent newcomers Texaco.

A prime role for the club, apart from lobbying everyone and everything from ministers to Commons select committees on behalf of the business community, is to encourage networking between local companies. He believes the club's future is now secure.

Mr Webber is also well-known locally as an executive of Builder Group, the trade press publishers, which has itself invested £8m in docklands premises.

"I believe in banging the drum for Docklands. Unless people already here get off their backsides and shout about the attractions, then our own investment in the area is being eroded," he says.

One of the single biggest investments in Docklands is London City Airport, perched on the Royal Docks and run by WILLIAM CHARNOCK, managing director. Mr Charnock arrived in early 1988, the year after the airport opened for business. The controversy surrounding the airport was still in full swing and, as the complex has expanded, its impact on the local community has been the raw material of local newspaper headlines.

Mr Charnock charts the enormous changes at the airport which have taken place

since his arrival, and is confident that, despite the turbulence surrounding its expansion, its future is now looking brighter. Speed of access to the airport, despite its proximity to the city, has been unreliable because of the weak transport links and the slim choice of destinations has inevitably restricted its popularity. No high airline operators have come in, and, as yet, there are no domestic, onward links.

But several new services are to be introduced in the coming months and there will be faster access from the City following the opening of the new docklands highway – "from the City and on to your aircraft in 30 minutes. We are compact, quick and friendly," he claims.

Last year the airport handled 187,000 passengers and he hopes 1993 will see up to 300,000 people passing through. The airport, however, is still loss-making, a position which is unlikely to change until between 450,000 and 500,000 opt for London City. Capacity is two million a year.

Mr Charnock, who has a staff of 90 (around 450 people, in all, work around the airport complex) is optimistic – "the year has started very well, the airlines appear increasingly confident and things are looking up." Construction group Mowlem has not, however, yet managed to find a partner to share its load.

Someone who has been involved in the development of

docklands a great deal longer is PETER TURLIK, head of strategic affairs at the London Docklands Development Corporation. A town-planner by profession, he was involved in docklands before the LDDC was born, firstly via secondment to the Greater London Council's docklands joint committee and then to the Department of the Environment.

He joined the LDDC on its formation in 1981 as director of industrial development, with responsibility for vesting in the corporation local land, and for setting up the docklands enterprise zone – "that first Christmas there were 12 of us in the old Fred Olsen shipping building and we kept getting lost every time we tried to get off

the Isle of Dogs through the old timber yards."

Mr Turlik later became director of business development and by 1988 was overseeing efforts to attract overseas investment. As head of strategic affairs, he oversees the LDDC corporate plan, which is submitted annually to the DoE.

He thinks the corporation has used the last two, difficult years well to retrench and prepare for the next phase of expansion – "I sometimes have to pinch myself. Things have gone tremendously quickly. We had a lot of luck in the 1980s and we've also had our bad breaks. But we don't give ourselves enough credit for what has been achieved."

Docklands is a new experi-

ence, however, for ROGER COLOMB, a managing director of Texaco, the energy group, which moved into Canary Wharf only weeks ago. As the man in charge of administration, he has been responsible for relocating 1,000 staff, the last arrivals moving in to Westferry Circus at the beginning of March.

Mr Colomb may be a new face locally but he is keen to make his company an integral part of the local community as soon as possible. He says Texaco has an opportunity to play an important role in the life of Docklands, financially as well as socially, and intends to do so.

The company, with a 1,000-year lease on 230,000 sq ft of office space, has already forged links with local organisations. Mr Colomb says there is "a real opportunity for us to put down some real roots." But his own, daily journey from Buckinghamshire takes him only ten minutes longer than to Knightsbridge so he does not intend to move in to live.

ERIC SORENSON might be forgiven for thinking he has been chief executive of the LDDC for ten years, rather than just over two years. He arrived from the Department of the Environment as docklands faced its biggest crisis and readily admits that the going

has been extremely tough – "the recession, the collapse of Canary Wharf, uncertainty over the Jubilee line and the DoE's own decision not to relocate here gave the impression that the government had become bored with the whole process. It was not the case, but that's how it appeared."

Mr Sorensen, 48, was at the DoE from 1967 until he arrived at the DoE and has wide experience of urban regeneration. He was private secretary to Mr Peter Shore when he was environment secretary and spent three years as head of the Mersey-side task force, developing local regeneration projects.

By 1987 he was head of the urban policy unit in the cabinet office and became deputy secretary of the DoE's housing and construction command before joining the LDDC. Last year, he says, the low point but he is optimistic that docklands will soon be back on course.

There is also a new spring in the step of MALCOLM HUTCHINSON, managing director of the Docklands Light Railway. After a rough start which made it something of a local laughing stock, the DLR is regaining its reputation as a modern, fast passenger service linking Docklands and the City.

With Brown Root, the US engineering contractors, appointed to manage the system's expansion over the next three years, Mr Hutchinson says: "I am a great fan of Docklands. I am confident it has a bright future and I am determined, with the help of my staff, to play a full part in the area's regeneration."

Local establishments include:

- Manzi's Seafood Restaurant, Turnberry Quay, off Pepper Street, Glengall Bridge, E14. Tel: 071 538 9615.
- Old Friends, 639 Commercial Road, E14. Tel: 071 790 5027.
- Tai-Pan, 665, Commercial Road, E14. Tel: 071 791 0118.
- Woolwich Tandoori, Pier Road, North Woolwich, E16. Tel: 071 511 2818.
- Britannia International Hotel, 183, Marsh Wall, E14. Tel: 071 515 1551.
- Scandic Crown Hotel, 265, Rotherhithe Street, SE16. Tel: 071 231 1001.
- Le Pont de la Tour, 36d Shad Thames, Butlers Wharf, SE1. Tel: 071 403 0267.
- Cantina del Ponte, 36c Shad Thames, Butlers Wharf, SE1. Tel: 071 403 5403.
- Blueprint Cafe, Design Museum, Shad Thames, Butlers Wharf, SE1. Tel: 071 378 7031.

Simon Parkes

## DINING IN DOCKLANDS

## Journey between polar extremes

proved hugely disappointing. Some salmon was completely dried out; and a section of plain-grilled turbot, if more moist, arrived with a large hlo of Hollandaise that tasted like rancid butter-icing. The sauce chef's night off? Let's hope so.

Image seems to be a prime consideration in Docklands. New roads that have yet to acquire buildings already have lush rows of trees and shrubs. Materials used in architecture – steel and glass – help to create an image of optimism and a

Facilities are unlikely to stabilise until there's a more firmly rooted population in place

bright future.

Even the occasional dockside Georgian dwelling has had its brickwork cleaned so that any glimpse of history now looks sharp and positive.

Commercial Road – the Limehouse section – at least has yet to receive such attention. It looks ripe for demolition. But it is here that you'll find one of the oldest gastronomic links with an earlier era.

'Old Friends' is the descendant of the original venue on West India Dock Road, established just after the war to provide Cantonese food for visiting Chinese sailors. With its tassled lanterns and flowery wallpaper, there's none of today's Soho-chic about it.

The food is acceptable rather than exceptional; standard Cantonese dishes without the balance or sharpness that you might find in London's Lisle Street.

Three doors up is Tai-Pan – more modern, lighter and airier and offering some spicier

Szechuan dishes alongside more predictable items: soft shell crab with peppercorn salt, Mongolian lamb wrapped in lettuce leaves and wonderful chow nor lok, king prawns in their shells in a tomato sauce.

Heading east towards Silver-

town, Beckton and London City Airport, I suddenly realised what a conundrum Dock-

lands has become as I stood near Gallions Reach and looked back at the Isle of Dogs.

Here are still vast expanses of land and water virtually untouched with almost village-like communities tucked away that seem a million miles removed from the shimmering towers and wharves further west. Fine dining doesn't exist, but occasionally you will find an established neighbourhood restaurant doing well.

The Woolwich Tandoori in North Woolwich, next to a boarded-up pub and an empty Chinese take-away, represents the East End rather than Dock-

lands, and is doing a rather more down-to-earth job than most of the eateries you will come across.

Here, tandooris and banyanis are fine, served pleasantly in a gold and mirrored cave.

This cosy air is in marked opposition to the colder, more brittle edge of the newer hotels in the area. The Britannia International has both Jenny's Carvery and Crompton's à la carte restaurant, neither of which manage to either comfort or challenge. Anywhere still cooking dishes (let alone describing them thus) such as Camard d'Orange or Suprême de Volaille Kiev deserves a suspicious gaze.

My theory was born out by a very pedestrian dish called 'Surf & Turf' which not even king prawns and tarragon butter sauce could revive.

Across the river in Rother-

hithe, the Three Crowns Restaurant in the Scandic Crown Hotel is barely an improvement. The centre piece is a smörgåsbord for both lunch and dinner. It is unremarkable save only for the fact that the owners are Scandinavian – and you'd have thought they would know a thing or two about such buffets. (I bet you don't get rough-cut smoked mackerel, flavourless ordinary prawns and dreary wilting garnishes at the Oslo or Helsinki branches.)

Thankfully, there is hope on the horizon and his name is Sir Terence Conran. Not content with Le Pont de la Tour and the Blueprint Cafe at the Design Museum, there's a new, more informal eatery, the Cantina del Ponte. And, as if that wasn't enough, a new chop-house in Butlers Wharf to be unveiled later this year.

I have no desire to inflate Sir Terence's reputation at the expense of anyone else's, but it should be said that this is one of the few places where you are virtually assured of being served something more than half way decent. And, the combined effect of this cluster of eateries seems to me to be in the true spirit of what Dock-

lands is all about. A model of cool, well-designed business efficiency, reflecting the spirit of the age.

The new Cantina del Ponte majors well on fresh pizzas and calzone, simple grills and fresh salads. A risotto of tomatoes and baby spinach was heavenly, and a calzone with three cheeses, aubergine and basil had perfect texture and taste.

Just when you think you've had your fill, there's also a collection of shops to enable you to take the experience home with you in the shape of fine olive oils, basil plants and fresh breads. Conran has

proved that you can take a site and bring in enough people to make it pay.

Others have not been so fortunate. With buildings filling (then emptying) on the Isle of Dogs, restaurateurs have seen their business ebb and flow.

The Waterfront on South Quay Plaza has recently closed and is now doing bar snacks. Instead, a ship, Le Passarelle, also moored on South Quay as a restaurant, was towed away earlier this month.

Facilities for dining in Dock-

lands, it would seem, are unlikely to stabilise until there's a more firmly rooted population in place. Then, hopefully, restaurant entries in the London Docklands Guide might overlap more often with those in the Good Food Guide.

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Opera/David Murray

## Enterprising 'Soundbites!'

The BOC Covent Garden Festival, a highly various affair, got underway this week. At the Donmar Warehouse on Tuesday and Wednesday we had "Soundbites". There was loose talk in advance about the commissioned "10-minute" pieces, in fact the norm for the five mini-operas - three commissioned, two older pieces by Gerald Barry and the late Stephen Oliver - was about twice as long as that. The company was the ENO's Contemporary Opera Studio (artistic director David Pountney), whose musical director David Barry and the producer and designer David Fielding achieved more than creditable results for every work.

The composers, it seemed, were allowed to draw upon only a modest band: string quartet, flute, clarinet, harp and keyboards. In fact Sally Beamish used only three of them for her *Ease*, and Barry's 1977 *The Garden* just a whimsical cello and piano. But the striking thing (so to speak) was the absence of any percussion whatever, unless you counted the type-writers in *Ease*; even five years ago, I believe, the notion that a bunch of young composers might forego percussion would have seemed wildly improbable.

There was not a single synthesiser to be heard, nor any taped sounds; there were TV sets in David Hone's *Jason Field*, but their screens showed nothing. And where the teenage opera-composers reviewed here (glumly) by Andrew Clements last week resorted wholesale to Minimalism - it enables you to write many more minutes of music with much less effort - there was no trace of that at the Donmar. Barry's *Things that gain by being painted* does offer minimal music in another sense; its

*The striking thing (so to speak) was the absence of any percussion whatever, and there was not a single synthesiser to be heard*

score sounded fluently effective, without promising that further acquaintance would discover anything more strongly coherent. *Ease* is a punning title, for its "E"s are the suicidal Emma Bovary and Eleanor Marx, who made the first English translation of Flaubert's novel in Edward Kemp's text they become ghostly, anguished intimates, to no great purpose, though Miss Davies and Margaret Preece enacted them with fervour. The Beamish score sports some interesting, short-breathed ideas of its own, but scarcely turns the situation into music-drama. At different, confident extremes, the music of Hone's *Jason Field* and Colin Huehns' *Solid Assets* lent far more vital charges to their texts.

In the former, a 27-year-old labourer meets - perhaps only in imagination - the parents of a 12-year-old boy he has murdered. In the cast-list they appear simply as Mother, Father and Son, which suggests how their instinctive family roles will reach across the dreadful confrontation. Overlapping sung lines left many details inaudible; but in any case, what Hone has through-composed is really a dramatic cantata, a *trio*, one with an instrumental ensemble as prominent and as urgently expressive as the voices. The idiom is up-to-date but palatable and clear, and respectful of British tradition (he is a Scot); it struck me that *Jason Field* seemed a natural descendant of, say, Vaughan Williams' *On Wenlock Edge*.

Huehns is plainly a natural theatre-composer. Meredith Oakes's rhyming text for *Solid Assets* is a wry, neatly amusing sketch, and Huehns finds bright musical touches, sometimes bare-faced devices, for bringing it all to crisp life. As a "gross", middle-aged art-lover who is happy to pay millions for an ancient Egyptian piece that is now less than dust, the baritone Karl Morgan Daymond was no less apt and sonorous than as the homicidal young hunk in *Jason Field*; this singer has a fine career before him. The role of the art-dealer allowed MacKenzie-Wicks at last to exercise his lyrical tenor to best effect, and Miss Hone made a doughty art-widow. Huehns is bound to go off in some enterprising direction; it will be interesting to learn which one he chooses.

Festival sponsored by the BOC Group, with support from Guardian Royal Exchange and American Express

Ballet/Clement Crisp

## The Netherlands Dans Theatre 2

Netherlands Dans Theater has a second, smaller, younger ensemble, NDT2, made up of dancers who are being groomed to join the main troupe. (NDT3, you may recall, also exists: a ghetto of performers who are identified as being old but still able to function on stage. The mind shrinks from the idea of what might be found in an NDT4.) NDT2 is at Sadler's Wells with a repertoire all too familiar in its concerns. "Never mind the steps; think of the message" is the motto for the NDT companies, but moral worth and, I suspect, political correctness, are fatal ingredients for choreography.

I saw the second of two programmes on offer this week, and though it proposed the work of four choreographers, there was little differentiation between

the pieces. Hans van Manen's *Shorland* found three men and three women in figure-hugging shiny black plastic leotards - they looked like animated caviar - who struggled, posed, made duets (one, of course, for a couple of chaps) and behaved in rather stolid, and possibly Dutch, fashion. These activities sat rather oddly with Stravinsky's *Gusneludo* score, but I do not find that musical aptness is the banner under which NDT often sails.

Two other works - Ohad Naharin's *Passion* and Jiri Kylian's *Stooge* - I have reported on before. The first is an awkward courtship ritual between a hideously dressed couple - she tries to get her man with a display of sagging limbs and very determined winter underwear; he has forgotten to put on his trousers

while Tudor songs are sung. It lasts, thank Heaven, only ten minutes. The second is grimly determined about an individual fighting with a group and turning into a martyr, while a tiresome sound-track by Arne Nordheim is played. (The music is probably ideal for NDT because it was assembled as a result of Nordheim's having seen Soviet troops preparing to crush the Prague Spring uprising.) The angst hangs heavy on the vine.

The closing piece of the programme is Paul Lightfoot's *Step Lightly*, in which four girls and two men fling themselves about on the ground - like Old Man River, they just keep rolling along - and suggest that they are enjoying really juicy nervous breakdowns. It is accompanied by Bulgarian folk songs

performed with steel-cutting timbre by a women's chorus. (My own belief is that peasantry are better employed doing something useful in the fields.)

Much of this nonsense would be inadmissible were it not that the NDT2 dancers are very impressive. The men are uniformly excellent, moving with big, flashing dynamics, taut and clear in energy. Among them Urtzi Aranburu and Miguel Rodriguez are exceptionally fine. The women are pleasing - if generally less challenged - by the choreography - and in *Step Lightly* I was taken by the airiness and delicacy of Catherine Rles's dancing. They all deserve better things.

NDT 2 is at Sadler's Wells until May 22

Concert/Antony Thornecroft

## Nanci Griffith: country girl

Nanci Griffith was a school teacher before she became the self-appointed guardian of country music. And don't you know it. Her Wednesday night appearance at the Albert Hall was as much a lecture as a concert.

Not that it was boring: Griffith is too much of an enthusiast and, too, well, odd for that. She has a Texan drawl that stretches into Oklahoma. She also has a disarmingly minny speaking voice which miraculously converts into a resonant tone curlier when she finally gets around to singing. But the most mesmerising thing about her performance is her ability to centre the universe around her girlish shoulders. Without Nanci, you are

made to feel, country music would have gone the way of the drawing room ballad. Fortunately she has playing the guitar in her hand both the "greatest acoustic guitar player in my life time" as well as "my favourite singer-songwriter". It was a relief that the percussionist's life time achievement was that he came from Hemele Hemptead.

The whole performance is one long roll call of inspirations and good friends. We learn, rather remarkably, that Nanci, and the equally decorative Emmylou Harris, spend their New Year Eves playing lonesome country duets. Other singers actually dropped in on the concert. Carolyn Hester, the primal force behind Grif-

fith's decision to go on the road, turned up to chorus on "Boots of Spanish Leather", and a crinkly Ralph McTell was happy to share the verses on Nanci's latest single "From Clare to Here", which he wrote. By the final rousing version of "It's a hard life wherever you go", the eleven musicians on stage had even been joined by the guitar tuner. Actually Nanci Griffith has good reasons to present herself as the incarnation of herself. She was plugging a latest album "Other voices, Other rooms", which is devoted to songs by contemporaries and precursors, one precursor stretching back to 1877. It made for a strange blend of the personal and the universal. We

learned a great deal of Nanci Griffith's experiences with the security system at Dallas Airport; we also heard her covers of fine songs by Tom Paxton and Townes Van Zandt. It has taken Nanci Griffith many years to reach her current eminence. For decades her songs were hits for others; now in repaying the compliment she has somehow appropriated the entire country music catalogue. The audience sat in quiet reverence. Griffith has obviously moved swiftly from school teacher, to head mistress, to chairman of the governors. There is a great deal of steel inside the frock.

Nanci Griffith is touring the country until early July

Concert/Richard Fairman

## St. Petersburg Philharmonic

The death of Tybalt is one of the most dramatic sections of Prokofiev's *Romeo and Juliet*, but this performance was determined to outdo any other. As the mortal blows struck, the conductor Mariss Jansons leapt to the air, slashing at each chord with vicious stabs of his baton, driving the music brutally, violently, decisively, to its grim and noisy conclusion. By the end Tybalt was well and truly dead.

That was the spine-tingling end to the first half of the St. Petersburg Philharmonic Orchestra's concert on Wednesday. It was the orchestra's only appearance in London on this tour and so there should not have been any empty seats - certainly not the rows of vacant places visible upstairs at the Barbican. Surely the message has got

round that this is still a marvellous orchestra and Jansons a conductor unrivalled today for sheer excitement? Any implication that their performances together are merely over-dramatised must quickly be put to rest. The Prokofiev was high on adrenalin, as was Rakhmaninov's Second Symphony after the interval, but half the intensity comes from the scrupulous way in which Jansons has rehearsed the orchestra, so that every note, every dot and dash of the score are in the right place. (I do not refer here to the cuts in

the symphony's finale, where many pages were missing completely.) The ensemble was exact. The inner ear of the orchestra balances the music superbly. Yet for much of the evening the playing sounded mushy. Why? Part of the reason will probably have been the unusual layout of the instruments, which put first violins and basses (top and bottom of the aural spectrum) on the left, middle strings and brass together on the right - an arrangement which clearly did not work. The rest, I fear, was down to

the Barbican's acoustics, which not for the first time surprised a visiting orchestra's best efforts. It was very noticeable that nothing sounded better than the opening of the slow movement, where the exemplary solo clarinet was accompanied by rustling violas and pizzicato basses. As soon as the rest of the orchestra came in, clarity and focus of sound were lost as cross-echoes bounced back and forth. For a performance of this symphony that had passion, lack of indulgence, an absolute grip on the music from first to last, it would be difficult to improve upon this conductor and the St. Petersburg Philharmonic. If only the swashbuckling Jansons could have played the Barbican acoustics while he was about it.

Mona Hatoum, Arnolfini Gallery, until 8 June. 16 Narrow Quay, Bristol, BS1 4QA, telephone 0272 299191.

## INTERNATIONAL ARTS GUIDE

This year's June Festival in Zurich is entitled Japan in Zurich. The theme takes account of growing artistic links between the two, and an awareness that the Swiss and Japanese have certain traits in common - including a spirit of independence and industriousness. The performing arts line-up is headed by the Kinzo Komparu Noh theatre, Holohi Okamoto's life-size puppet theatre and Yukio Ninagawa's well-travelled and much-acclaimed version of Euripides' *Medea*, starring the Kabuki actor Tokuzauro Arashi. Zurich's Tonhalle Orchestra gives concerts under three Japanese conductors, including its former music director Hiroshi Wakasugi, and with several Japanese instrumental soloists. There will be performances of a new Viola Concerto and several other works by the Japanese composer Toru Takemitsu. The music programme also places strong

emphasis on Japanese choral music, traditional and modern chamber music, and Japanese drums. There will be a retrospective of the film-maker Yasujiro Ozu (1903-63), whose films on everyday subjects attracted little attention in the west during his lifetime, but are now recognised as masterful reflections of the human condition. There will also be exhibitions of Japanese children's book illustrations, poster art, brushwork calligraphy, folk-art and Noh masks, as well as a representative selection of work by contemporary Japanese artists.

For anyone visiting or living in Zurich, the Japanese theme will be hard to escape: the main train station will have a Japanese garden and sun canopy, the Bahnhofstrasse is being decorated with steel representations of animals designed by Akira Yoshizawa, and the Stauffacher district is being transformed into Little Tokyo. (Tickets and enquiries: Billettzentrale am Werdermühlplatz, tel 221 2283).

### EXHIBITIONS GUIDE

**AMSTERDAM**  
Van Gogh Museum Walter Sickert retrospective. Ends May 31. Also Courtauld in Japanese Prints. Ends Aug 29. Daily  
Rijksmuseum The Jacobus Klaver retrospective: 100 Dutch 17th and early 18th century drawings. Ends July 25. Closed Mon  
Stedelijk Museum David Robillart

(1952-88), British painter-poet. Ends June 1. Daily  
**ANTWERP**  
Musée Royal des Beaux-Arts Jacob Jordaens: large-scale retrospective of the baroque painter born 400 years ago. Ends June 27. Closed Mon  
Rubenshuis Rubens Cantoor: 80 drawings from the Danish royal collection of designs and study materials used in the 17th century Flemish master's office. Ends June 27. Closed Mon  
Oude Lieve Vrouwekerk Antwerp altar pieces of the 15th and 16th centuries: 16 restored examples of the retabel, a sculpted middle with two painted side panels on hinges, thousands of which were constructed in and exported from Antwerp in the late middle ages. Ends Oct 3. Daily  
**BARCELONA**  
Fundacio Joan Miro Joan Miro: large-scale centenary exhibition. Ends Aug 30. Closed Mon  
Museu Picasso Kasimir Malevich (1878-1935): 42 oil paintings on loan from St Petersburg. Ends June 6. Closed Mon (Carrer Montcada 15-19)  
**BERLIN**  
Neue Nationalgalerie Beyeler Collection: outstanding private Swiss collection of early 20th century paintings. Ends Aug 1. Closed Mon  
Alte Nationalgalerie Oscar Reihart Collection: paintings by 19th century German, Austrian and Swiss artists. Ends Sep 12. Closed Mon and Tues  
Martin-Gropius-Bau American Art in the 20th Century: a monumental survey containing 200

works by 60 prominent artists, focusing on art produced between 1945 and 1970, when America became the dominant force in art. Ends July 25. Closed Mon  
Altes Museum The Etruscans and Europe. Ends May 31. Closed Mon  
**DRESDEN**  
Albertinum Giorgio Morandi (1890-1964), Italian still-life painter. Ends June 6. Also Gotthardt Kuehl (1850-1918), German impressionist. Ends June 6. Closed Thurs  
Zwinger 18th century Chinese pink porcelain from Dresden collections. Ends Sep 22. Closed Fri  
**EDINBURGH**  
Scottish National Gallery of Modern Art Recent British Sculpture: 20 works by sculptors born after 1945, including major works by Cragg, Deacon, Wilding and Kapoor. Ends July 27. Daily  
**FRANKFURT**  
Deutsches Architekturmuseum Peter Joseph Lenné (1789-1866): 280 drawings and plans by one of the great Prussian garden and town planners, on loan from the state collection at Potsdam-Sanssouci. Ends Aug 8. Closed Mon  
Städt. Dan. Flavin: installations 1989-93 by the American artist. Ends Aug 22. Closed Mon  
**LONDON**  
Tate Gallery Georges Braque: prints from private French collections. Ends July 27. Visualising Masculinities. Ends June 8. Daily  
National Gallery 18th and 19th century paintings and drawings from Lille. Ends July 11. Paintings from the Bowes Museum. Ends June 20. Daily

**ROYAL ACADEMY OF ARTS** Georges Rouault 1903-20. Ends June 8. Daily  
Hayward Gallery Georgia O'Keeffe retrospective. Ends June 27. Also James Turrell installations. Ends June 27. Daily  
**ACCADEMIE ITALIANA** Italian Art Treasures, including works by Guercino, Domenichino and Caracci. Ends July 25. Daily  
Marborough Graphics Graham Sutherland as Printmaker 1950-80. Ends June 12. Closed Sun  
Barbican The Sixties. Ends June 13. Daily  
**LUGANO**  
Villa Favaria 19th and 20th century paintings and watercolours from the Thyssen-Bornemisza Collection. Ends Oct 31. Open Fri, Sat and Sun only till June 20, thereafter daily except Mon  
Villa Malpensa Francis Bacon: a large number of well-known works, plus youthful efforts and designs for carpets and furniture. Ends May 30. Closed Mon  
**MANCHESTER**  
City Art Gallery Tim Head: retrospective of one of Britain's foremost artists, including photographs and paintings remain produced since 1984 and two new installations. Ends July 4. Daily  
**NEW YORK**  
Metropolitan Museum of Art Drawings from the Getty Museum: 120 works by Titian, Raphael, Fragonard, David, Dürer, Rembrandt and many others. Ends Aug 8. Abstract Expressionism: works on paper from the period 1938-87 by 19 American artists. Ends Sep 12. The Havemeyer Collection: 450 works ranging from

French impressionists and old masters to Asian art and Islamic pottery. Ends June 20. Closed Mon  
Museum of Modern Art John Heartfield: powerful political images by the German inventor of photomontage. Ends July 8. Closed Wed  
Whitney Museum of American Art 1993 Biennial. Ends June 13. Closed Mon  
**PARIS**  
Centre Georges Pompidou Matisse 1904-17. Ends June 21. Closed Tues  
Grand Palais The Century of Titian. Ends June 14. Also Armenophis III. Ends May 31. Closed Tues, late opening Wed (ave du General Eisenhower)  
Musée Picasso Picasso and the Bulls. Ends June 28. Closed Tues  
Louvre Copier-Créer: from Turner to Picasso, 300 works showing how artists copied the great masters - initially in order to learn, later for creative interpretation and ultimately for provocation, exemplified by Duchamp's Mona Lisa with a moustache. Ends July 26. Closed Tues  
Le Louvre des Antiquaires The Shine of Pewter: 300 jugs, plates and dishes recreating 16-18th century table settings. Ends July 17. Closed Mon (2 place Palais Royal)  
Musée du Luxembourg Roman Wall Paintings around Narbonne. Ends July 4. Closed Mon (19 rue de Valenciennes)  
Petit Palais The Splendour of Russia: a thousand years of goldsmiths' work. Ends July 18. Closed Mon

**ROME**  
S Michele a Ripa Borghese Collection: works by Titian, Caravaggio, Rubens, Raphael and others, on show in this deconsecrated church while the villa in the Borghese gardens is being restored. Ends Dec 31  
Palazzo Venezia Rome under Sixtus V. Ends May 30. Closed Mon  
**AMERICAN ACADEMY** David Hammons and Jannis Kounellis: an installation in the gardens of Villa Aurelia, suggesting a dialogue between two artists of diverse cultural backgrounds but sharing a similar vision of art. Ends June 27. Daily  
**WASHINGTON**  
National Gallery of Art Great French Paintings from the Barnes Foundation: 80 Impressionist, post-Impressionist and early modern works by Renoir, Manet, Picasso, Gauguin, Matisse, Braque and others. Ends Aug 15. The Great Age of British Watercolours 1750-1880. Ends July 25. Daily  
National Museum of American Art Masterworks from American Art Forum Collections 1875-1935: paintings by Albert Bierstadt, John Singer Sargent, Edward Hopper and others. Ends July 5. Daily  
Phillips Collection Augustus Vincent Tadic: retrospective of the early American abstract artist, ranging from turn-of-the-century Impressionist landscapes and decorative murals to his abstract style of the 1920s and later. Ends Aug 22. Daily  
National Portrait Gallery American Art at the 1893 World Fair. Ends Aug 14. Daily



**CAMBODIAN** The calendar on the wall of a Pakistani-manned UN police station north of Phnom Penh has only one entry for May 23: "Election - Inshallah (God willing)." In spite of a continuing civil war, in spite of the failure to implement the peace plan signed by the four main Cambodian factions in Paris in 1991, and in spite of threatened attacks on polling stations by Khmer Rouge guerrillas, the United Nations is grimly determined to go ahead with Sunday's election.

Nearly \$2m has been committed to one of the UN's costliest and most criticised peace-keeping operations. Short of an overwhelming upsurge of violence, it is unlikely that the UN will risk further attacks on its performance by cancelling or postponing the election, being contested principally by the government, communist party (the Cambodian People's party or CPP) and the royalist party, Funcinpec.

Mr Yasushi Akashi, who leads the 22,000 peacekeepers of the UN Transitional Authority in Cambodia (Untac), said yesterday that political parties had held more than 1,500 peaceful meetings during the six-week campaign period, but admitted that the five-day elections would be held in less than satisfactory conditions. "We are going through this important chapter in the history of Cambodia, in the history of south-east Asia, in the history of the UN itself," Mr Akashi told Untac staff this week in a rousing pre-election pep-talk. The election itself would be "fairly respectable and credible", he added.

But the obstacles to a "free and fair election" in Cambodia in the "neutral political environment" outlined in the Paris peace accords have been evident for many months. Untac was charged with monitoring a ceasefire, but the two principal combatants - the Khmer Rouge and the Phnom Penh administration installed by Vietnam in 1979 - never stopped fighting. Untac's mandate was confined to peace-keeping, not peace-making, and it was not allowed to impose peace by force of arms.

The Khmer Rouge also denied Untac access to most of its strongholds in the north-west and refused to disarm its guerrillas or regroup them in cantonment areas in accordance with the peace

## Ballot despite the bullets

Cambodia's continuing civil war is unlikely to stop Sunday's election, says Victor Mallet



Bloody campaign: Hun Sen (left) and Prince Norodom Ranariddh

plan. With Khmer Rouge fighters still at large, the other factions decided to keep their own soldiers armed. This year the Khmer Rouge withdrew from the peace process altogether and threatened to disrupt the election; the government, meanwhile, mounted a campaign of assassination and intimidation against its remaining election rivals, which Untac was unable to stop.

Mr Akashi managed to persuade Funcinpec, which says at least 50 of its supporters and officials have been killed, and the Buddhist Liberal Democratic party (BLDP) to stay in the running; their withdrawal would have further undermined the election's credibility.

But even if it is deemed reasonably fair, with no serious outbreaks of violence or vote-rigging, the election's outcome is not guaranteed to bring peace to Cambodia, or to allow the UN to withdraw with its reputation intact.

Consider the options. If the government wins, it will achieve the international recognition and foreign aid denied it since the Vietnamese invaded and overthrew the Khmer Rouge regime 14 years

ago. France and Russia both favour a government victory. Mr Hun Sen, the prime minister, says that if the government wins, it will treat Khmer Rouge guerrillas as "armed bandits". The idea would be to wear down the Khmer Rouge until it becomes a containable left-wing insurgency that can be eventually defeated.

The newly-elected government would still be riddled with corruption. But, like its patron in neighbouring Vietnam, it would probably be quick to accept economic reforms and might even adapt to the democratic ideals enshrined in the Paris peace plan in coming years.

Unfortunately, many Cambodians and western diplomats doubt that the government would be able to crush the Khmer Rouge. If the CPP wins, the opposition parties are likely to cry foul and point to the UN's own numerous reports of government human rights abuses and intimidation during the campaign. Some defeated opposition leaders may even join the Khmer Rouge, as they did in the years before the peace agreement.

"If the CPP wins, we've got another Angola on our hands," says one UN election officer,

referring to the decision by Mr Jonas Savimbi, the Angolan opposition leader, to resume fighting after the communist government in Luanda won the Angolan election.

While the Khmer Rouge guerrilla force is not thought strong enough to hold important towns, it has used the 19 months since the peace deal to enlarge its presence in the countryside, partly by seizing territory from other factions.

Though China may have stopped backing the Khmer Rouge, Thai generals and businessmen remain its staunch supporters. The elusive Pol Pot, leader of the Khmer Rouge, has a house in eastern Thailand and has close relations with the Thai military.

The government is by no means certain to win. A Funcinpec victory would at least convince most observers that the election result was fair. Funcinpec has only a vestigial army and has been on the receiving end of government-sanctioned attacks on its campaign workers and supporters.

Prince Norodom Ranariddh, the Funcinpec leader, has promised to try to appoint his father Prince Sihanouk as the Cambodian president if his party wins. Prince Sihanouk, backed by China, has spoken of the need to bring all four factions, including the Khmer Rouge, into a government of national reconciliation. However, few believe that if Funcinpec wins the government - with more than 200,000 soldiers, policemen, and militiamen will hand over power to a party which it regards as infiltrated and easily influenced by the Khmer Rouge.

"The UN must make sure that power will be transferred to whoever wins the election," says a somewhat hopeful Mr Ung Huot, the Funcinpec election campaign manager.

If the election proceeds and results emerge on schedule in early June, even an outright winner may decide that it is wiser to form a coalition government. As one western diplomat puts it: "We are not going to wake up on the May 31 and find ourselves with an ideal political situation."

Untac's mandate is due to expire in August, and pressure is mounting for a withdrawal because of the rising costs and the dangers to UN staff. But many UN officials believe some kind of presence will be required for the foreseeable future no matter who wins the election. For Mr Akashi, who once described his job as suitable for a "masochist", the pain is not yet over.

## Raise a glass to Mr Clarke



Mr Kenneth Clarke is a jolly chap, full of warm beer and words like "judgment", "common sense" and "reasonable decisions" - the home secretary who personifies England. It is he who, following a waffly intervention by Mr Robert MacLennan, Liberal Democrat, replied: "In response to the honourable gentleman, I ask him to go away, lie down in a dark room, keep taking the tablets and think carefully about whether the Liberal Democrats have an opinion one way or the other on the merits of any of the proposals that I have just announced."

That is the authentic voice of the cheerful thug at his most cheerful and his most thuggish. It earns him this season's second prize for the most successful speech announcing a government retreat from a previous position; the first is still firmly in the grasp of Mr Douglas Hurd, although whether he earned it defending Maastricht or failing to defend Bosnia is a fine point. The foreign secretary can make the most guile-ridden slide down the back drainpipes of policy seem like an elegant drawing room pirouette. The home secretary simply puts his foot on the bar rail, his elbow on the counter, looks up at the house and asks: "What're you having squire?"

What the Commons is having is bar-room wisdom from a politician who was highly rated for having roughed up the nurses when he was health secretary and the teachers when he was at education, which is to say overrated. On Mr Clarke's performance is perpetually diminished by hindsight. Do not mistake the import of this seemingly harsh judgment. Everything has a

context. When you consider the home secretary's colleagues - men such as, say, the chancellor, or the first lord of the Treasury - our hero stands out as certainly their equal and, some venture, their better.

True, he did not leave either of his two previous departments in a condition of smoothly oiled perfection. That accounts for his less than triple-A overall rating. But his quick wit, his bonhomie and his willingness to tackle powerful interest groups should take him far in this administration, in spite of what can now be seen as questionable results at health and education.

None of this has much to do with the principal task of the Home Office, which is to protect us from criminals.

We should not blame Mr Clarke for that. His preoccupation, like that of his fellow-ministers, is with the office politics of his chosen profession. Who will be promoted, where to, and when? These are the motivating questions. A healthy concern about such matters keeps ministers from trying to invent any new policies. That is to the good. Most policies, especially on crime, are neutral. Some, such as the elements of the government's own brand-new criminal justice bill that the home secretary reversed last week, may be positively harmful. Few do any good.

The figures tell the tale. Between 1979 and 1991 the government increased the number of police officers by 12 per cent. This enhanced force succeeded in getting 6 per cent more people in prison. It was a wasted effort. For during the same period the number of recorded

crimes rose by 112 per cent. This does not mean that the actual number of crimes more than doubled. Criminal statistics are the most misleading of all measures of anti-social behaviour. People have become increasingly willing to report crimes, particularly violent crime. Anecdotal evidence supports this view.

It is also clear that nobody has a sure-fire answer to the problem. Professor David Pyle, senior lecturer in economics at the University of Leicester, has a paper\* whose depressing conclusion is that there are few novel approaches to crime in which the benefits outweigh the costs. It is even more depressing that the production of such a thesis has been sponsored by Securicor Services, but that is the age in which we live.

It is, however, clearly possible to sup with Securicor and go home with an independent mind. The best that the author can say of the privatisation of crime prevention is that the case is "not proven". The professor looks at neighbourhood watch schemes, electronic tagging and the privatisation of prisons. "There may be dangers," he says, "in placing too much reliance on the private sector in this field." Policing which is a "public good" should be financed through "compulsory public subscription".

Prof Pyle is no kinder to us

soppy old liberals. For he tells us that the remedies popular in the bar-room do apparently work. Various studies demonstrate that increases in the certainty and severity of punishment can be effective in reducing crime. This may be news to the Home Office, if not to its political head. As to which is better, "certainty" or "severity", the conventional wisdom is again challenged. The rise in police strength necessary to make it more likely that criminals will be caught is seen as less cost-effective than simply sending more offenders to prison, for longer periods. This will be disputed by those whose basic discipline is sociology rather than economics. Liberals will, however, enjoy his finding that "recorded property crime is much more closely related to the level of economic activity in England and Wales than had previously been thought".

One remedy does stand out. Most crimes of violence are caused by drunkenness; the majority occur after pub closing time, especially at weekends. Prof Pyle postulates a market solution, namely raising the price of alcohol. This might be reinforced by encouraging the sale of low-alcohol beers and wines; his analogy is the differential tax that has brought about a switch to unleaded petrol. "There seems to be no reason why such a policy would prove to be ineffective, even if, as seems likely, the demand for alcoholic drink is price inelastic," he writes. Mr Clarke is the ideal minister to propound such a scheme. "Common sense," he would mutter. "Stand to reason." It could do both him, and our Saturday nights, a medium if not good.

\* *An Economist Looks at Crime in Britain. European Policy Forum/Social Market Foundation, 20 Queen Anne's Gate, London SW1H 9AA*

Joe Rogaly

## Raise a glass to Mr Clarke

The home secretary has the authentic voice of the cheerful thug - useful in defending government retreats

## LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL

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## Importance of whaling to Japanese society

From Mr Fumio Yoshino

Sir, Although Robert Thomson's several articles (Whaling ban wins strong US backing, May 11; Whale sanctuary vote set for today, May 12; and Japan irked by rejection of whale plan, May 14) were all informative and objective, I nevertheless feel that additional information is needed in order to inform non-Japanese readers about the tradition and importance of whale meat in Japanese society.

It now appears to the average Japanese person that a fever called "environmental protection" has dominated the international Whaling Commission seminar in Kyoto.

Of course, Japanese people fully realise that the whaling ban proposal does not stem

from any hostility towards our race.

However, what we are uneasy about is the implicit lack of understanding of our way of living.

Japan's fish catch was 96.2kg per person in 1991 compared to 14.5kg per person in the UK and 19.5kg in the US.

Nevertheless, the level of imports of marine products in this country exceeds that of our exports more than three times.

Our daily calorie intake comprises 13.1 per cent of marine products, compared to 17.7 per cent of meat such as beef, pork and poultry. (Seaweed, which the Japanese love and consume in large amounts, has no calories.)

The consumption of whale

meat in Japan can perhaps be

likened to the consumption of snails in France. Without snails no Frenchman would die, but to take away this cherished foodstuff would no doubt cause great commotion and much disgruntlement.

Japanese people realise that this peculiar dish is a specialty to a particular country, but we would never consider doing away with the custom of eating such a dish.

The Japanese are said to have a history of whaling dating back to before Christ, although we only began eating meat roughly 100 years ago, after centuries of abstinence for religious reasons.

Since the introduction of meat into Japan, our tastes have certainly changed. We

now consume more than twice the amount of meat that we did 20 years ago.

The opinion that the whale is a great symbol of nature and that the mammal is some kind of higher form of animal seems strange to me.

I feel that the only hope of proceeding with discussions at the seminar in Kyoto is to base them on a mutual understanding of different ways of living. Otherwise the commission would simply be a witchhunt by culturally less intelligent people who could not accept other peoples' values.

Fumio Yoshino, associate professor of economics, Takasaki City University, Takasaki, Japan

## Simpler way to encourage use of Ecu

From Mr Ben Coleman

Sir, Lord Cribb's suggestion of some interesting ideas for easing the introduction of a single European currency ("How to make the Ecu user-friendly", May 12). A simpler way of encouraging use of the Ecu might be to improve the general ability of companies, particularly smaller ones, to manage their foreign exchange exposure and, in so doing, show them how the Ecu can be useful now.

While many large firms already use the Ecu to hedge against overseas exposures, smaller ones are often unaware of even basic Treasury management techniques and of the Ecu-based services their local bank offers.

A study we undertook for the European Commission last year revealed that most EC banks offer a comprehensive range of Ecu-based services. It should be easy to set up an Ecu bank account for payments made to and received from several EC countries, thus reducing exchange costs. Equally, assuming overseas purchasers agree, there are few problems to invoicing in Ecus, which lessens the risks of volatile exchange rates. The main obstacle is ignorance.

Both the Commission, as promoter of the Ecu, and our own resident Department of Trade and Industry, as promoters of overseas trade, might like to consider how they could assist small firms to manage foreign currency exposure better.

Ben Coleman, European business unit, Sloy Hayward, 3 Baker Street, London W1M 1DA

## Headline earnings per share figure may allow confusion and manipulation

From Mr Ron Paterson

Sir, I see that your published company statistics will in future use the "headline" earnings per share figure proposed by the Institute for Investment Management and Research, which broadly seeks to distinguish trading results from capital items. You are confident that their formula provides a "factual and robust" basis for the statistics on which your readers rely. That may not be entirely justified.

Your decision has no doubt been provoked by dissatisfaction with the all-embracing earnings per share figure now required by FRS3. However, the Accounting Standards Board chose that figure precisely because the headline

numbers which many people prefer cannot deliver what they promise.

As my firm has commented to the IIMR, headline earnings per share will not in practice be "factual and robust". That is because the seemingly attractive theoretical distinction between trading performance and capital gains and losses does not work in practice.

An example concerns the costs of closing down a business. The headline earnings per share figure is supposed to exclude the costs of discontinuing the business, but to include trading results during the run down period. This distinction will often be meaningless, if not impossible to make.

There is a danger that earnings per share figures based on these distinctions will be misunderstood and that misconceptions about the "important" figures in accounts will be created. Experience has shown that focusing on an intermediate figure in the profit and loss account tends only to corrupt the figure itself. In making this change, you are in danger of putting the clock back and undermining the ASB's efforts to promote a deeper analysis of accounts rather than reliance on a simplistic and manipulative ratio.

Ron Paterson, Ernst & Young, Rolls House, 7 Rolls Buildings, Fetter Lane EC4A 3NH

## UK shipbuilding policy riddled with anomaly

From Dr John Tomoney

Sir, Your editorial ("Swan song", May 17) arguing that the downfall of Swan Hunter was inevitable is flawed.

Despite assertions to the contrary, the argument that there is too much shipbuilding capacity in the UK does not stand scrutiny. A reasonable level of success in export markets, together with the Ministry of Defence's plans to procure further logistics and assault vessels as well as Type 23 frigates, suggests that the market will provide enough work for all the warship yards.

Indeed, some observers fear that government procurement strategy may be creating a potential capacity shortage, especially of design and technical skills, later in the decade. The government should take account of this possibility in its dealings with the sector.

Your editorial also ignores both the fact that Swan Hunter has a record of producing merchant ships and that most predictions are for this market to grow in the 1990s, largely because of the ageing of the world fleet.

Swan Hunter is the only UK yard that has a record of producing both merchant vessels and the full range of military vessels in its own right. As a monopolist in the naval sector, the government should have made this a factor in its decision to order the helicopter carrier. More importantly, it should make this a consideration in the vital effort to save shipbuilding on the Tyne.

The position of the government is riddled with anomaly and inconsistency. It allowed a consortium that included Kvaerner, a merchant yard whose contracts have been

supported with intervention funding, to compete with Swan Hunter, whose diversification efforts were hindered by the government's refusal to support an application for intervention funding for the yard. As a consequence Swan Hunter's very future depended on winning naval orders. Good luck to Kvaerner, but where is the logic in all of this?

Finally, your implication that because UK yards struggled to maintain market share in the past, the UK should withdraw from shipbuilding, seems neatly to encapsulate the reasoning that has underpinned the manufacturing decline that is at the heart of the UK's economic problem. John Tomoney, Centre for Urban and Regional Development Studies, University of Newcastle, Newcastle upon Tyne NE1 7RU



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## FINANCIAL TIMES

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Friday May 21 1993

## Good news on UK earnings

CELEBRATIONS ARE indeed in order. But this is not mainly because seasonally adjusted unemployment has declined for the third successive month, if by a mere 1,400. Far more encouraging is the further fall in pay inflation. The UK now has a chance to secure the stable, low-inflation economy for which so many have suffered so much.

Over the three months to April 8 seasonally adjusted unemployment fell by 52,700. This is unprecedented at so early a stage of an upturn. One explanation for the good news is the strength of the recovery, as shown in data on retail sales and manufacturing output published earlier this week. The "hire and fire" mentality is another explanation, the implication being that the falling unemployment must be set against the huge increases at the end of last year. The inflow into the labour force is also smaller than in the early 1980s.

Against such optimistic views of the prospects must be set the lack of any significant increase in the stock of vacancies, following its jump between January and February. The unexpected declines in unemployment may simply reflect an overhang of jobcentre placement targets last financial year. If so, they will not continue. The picture should be clearer when information on employment in the first quarter of 1993 becomes available in the next Labour Force Survey, due in June.

Less murky, and more encouraging, is the decline in the under-

lying annual increase in whole economy earnings, to 4 per cent. Seasonally adjusted earnings rose 2 per cent in manufacturing in March, but fell 0.6 per cent in services. This divergence, already apparent earlier this year, may reflect sterling's departure from the ERM. Nevertheless, wages and salaries per unit of manufactured output fell by 2.9 per cent over the year to March, because of a 7.8 per cent rise in output per head.

Taken with the Bank of England's latest forecast for underlying inflation over the next 18 months, these trends imply negligible growth in real earnings. One implication is that growth in real expenditure per worker would make little contribution to the recovery in demand. A more favourable one is that real earnings would grow more slowly than labour productivity. That is precisely what to combine deflation with stable inflation. It is also how to increase incentives for employment. Low growth in real wages has to be a better way to sustain competitiveness than fast productivity growth in an economy with some 3m unemployed.

If the underlying increase in earnings were kept to 4 per cent, or less, it would be possible to combine low inflation with modest increases in real earnings per worker. This mixture can give the UK the steady rise in output and employment that it needs. It could even justify the stringent disinflationary policies of the past several years. Mr Major may U-turn elsewhere. On this he must not.

## Danish stimulus

THE violence in Copenhagen perpetrated by a minority of demonstrators has sounded a discordant note amid the general relief prompted by Tuesday's Maastricht referendum result. However, the Yes vote has given the Social Democrat coalition an opportunity to bring in a modest stimulus programme for the hard-pressed Danish economy.

Mr Poul Nyrup Rasmussen, prime minister since January, is the current president of the EC council. His personal success in securing a Yes, though based on treaty opt-outs negotiated by the previous government, makes Mr Rasmussen one of the few EC leaders entitled to walk with a spring in his step. He intends to capitalise on this victory by using next month's EC summit in Copenhagen as a platform to launch Community-wide measures to combat the European recession. Accounting for just 2 per cent of EC GDP, Denmark has limited room to act alone. Furthermore, the tax cuts and accelerated public sector investment announced on Wednesday may not be large enough to boost GDP expansion from 1 per cent this year to 3 per cent in 1994, as the government hopes. But by seizing the opportunity to push for non-inflationary growth, Mr Rasmussen is setting a good example.

With unemployment now 12 per cent after six years in the doldrums, there is no doubt that Denmark needs higher growth. There is also no doubt that the economy is capable of delivering it. Denmark has curbed its spending habits of the early 1980s. It boasts an inflation rate of 1 per cent and a current account surplus. Ironically for a country which wants to steer clear of the plan for a single currency, Denmark is one of the few EC states close to fulfilling the Maastricht targets set down to guide the path to economic and monetary union.

Foreign exchange market doubts about Denmark's ability to stay in the ERM "hard core" have forced the Danish National Bank to maintain high interest rates during the past 12 months. Uncertainties will remain unless Denmark provides evidence it can shake off the damage to competitiveness caused by the European devaluations since last autumn. In view of its ERM opt-out, Denmark has to work doubly hard to convince the markets that it is serious about monetary stability.

However, the gap between short-term German and Danish interest rates, in April as much as 5 percentage points, has now fallen to less than 1 point. Following this week's 1 point cut in the discount rate, there is now room for the National Bank to reduce rates further.

By holding down wage rises and putting up with high unemployment, the Danes have made big sacrifices. Assuming the recession in the larger EC economies does not worsen, Mr Rasmussen now has a chance to show that rigorous economic management can bring its own reward.

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By holding down wage rises and putting up with high unemployment, the Danes have made big sacrifices. Assuming the recession in the larger EC economies does not worsen, Mr Rasmussen now has a chance to show that rigorous economic management can bring its own reward.

The irrationality of financial markets is sometimes remarkable. A few weeks ago, the fear on Wall Street was that the US economic recovery had ground to a halt. In the past few days that concern has been replaced by fear of galloping inflation.

The price of gold - still regarded by many small investors as the ultimate hedge against inflation - has surged and is now 15 per cent higher than in early March and the yield on long-dated bonds climbed briefly above 7 per cent, on worries that the Federal Reserve might begin to tighten monetary policy.

When the Fed concluded its policy meeting this week without signalling an immediate rise in interest rates, there was a collective sigh of relief. On Wednesday, the Dow Jones index rose more than 50 points to a new record. Bond yields and the gold price retreated from earlier highs. But confidence is fragile: the next bad economic number is liable to set off another wave of panic.

Faltering growth and faster inflation are ever-present risks. But both at the same time? If the economy is really slowing, inflation is unlikely to pose a threat and vice versa. History suggests that "stagflation" is a product of "supply shocks" - such as the sudden increases in oil prices that hit the world economy in the 1970s. Nothing of that kind is happening today.

The most legitimate source of concern lies in Washington politics. With conservative Democrats, Republicans and Texas billionaire Ross Perot all taking pot shots at the Clinton economic plan, the fate of the deficit-cutting package is uncertain. If the end result is a substitution of bigger spending cuts for some of the tax increases, markets will be well pleased; but the risk is that the various factions in Congress will be unable to agree on anything.

Meanwhile, if you allow for the "noise" that seems to envelop nearly every US statistical series, the stagnation fear looks greatly overstated. Inflation probably has passed its low point for this business cycle, but it seems unlikely to gather momentum rapidly. At the same time, the vigour of the US corporate sector suggests the outlook for growth is better than widely appreciated.

Mr Paul Mastroianni, senior economist at J.P. Morgan, the New York bank, notes that business investment in new equipment has accounted for about a third of total economic growth in the past year even though this sector represents only 8 per cent of gross domestic product. Equipment investment was up 14 per cent in real terms in the first quarter of this year against the same period of last year. This star-

## No need to hit the panic button

The growing fear in the US of higher inflation and faltering growth looks exaggerated, says Michael Prowse

ting rate of growth helps explain why business leaders showed no interest in the temporary investment tax credit proposed in President Bill Clinton's economic plan but since axed by Congress.

The investment surge is being led by huge purchases of computers and other information processing equipment. Investment in these items (which now accounts for 45 per cent of all equipment investment) was up more than 21 per cent in real terms in the year to the first quarter. But other categories of business capital formation are also doing well: investment in transport equipment and general industrial equipment was up 11.5 per cent and 7.5 per cent respectively.

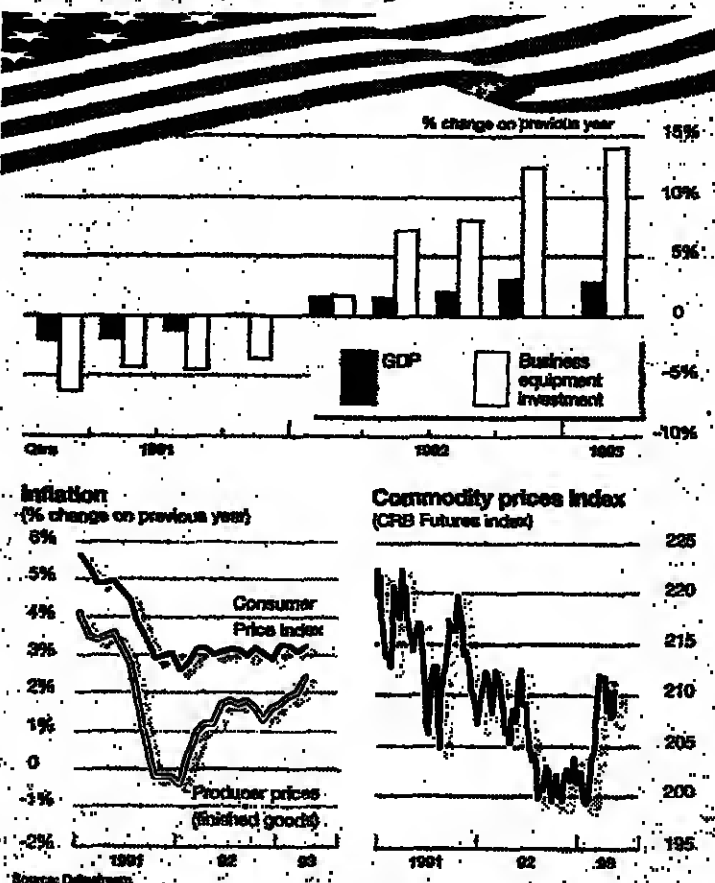
Capital formation is admittedly recovering from a relatively low base. But the investment recovery looks secure because it is underpinned by higher profits and productivity following extensive corporate restructuring. After-tax profits rose 10 per cent last year and may rise by nearly 20 per cent this year.

Productivity was up 3.3 per cent last year, the sharpest increase for a decade. Gains in service sector efficiency slowed productivity growth in all sectors of the economy to 2 per cent a year, or about twice the average rate in the past two decades.

The investment-driven recovery reflects a special feature of this upturn: it is the first in recent decades to occur spontaneously, that is, without a big artificial boost from fiscal or monetary policy.

Fiscal policy could not be loosened because of the huge federal deficits carried over from the 1980s. The Federal Reserve has eased monetary policy, but not as quickly or as sharply as in some previous business cycles. Real short-term interest rates are roughly zero, rather than negative; long-term real rates are 3.5 to 4.0 per cent, high by historical standards.

US investment-led recovery



The federal government's inability to lend a hand together with "structural" impediments - such as defence cuts and weak balance sheets in the personal and corporate sectors - explain the halting recovery. The hallooming of the trade deficit in March may result in first quarter growth being revised down to an annual rate of as little as 1 per cent. This sounds awful, but it follows growth at an annual rate of nearly 5 per cent in the fourth quarter and is merely the latest of a succession of "growth dips" since the economy stopped contracting two years ago.

More recent data is mixed but on balance quite encouraging. Housing starts and retail sales rebounded in

April after bad weather hit businesses in the first quarter. Car sales early this month were well above first quarter levels. Industrial production and payroll employment, however, are growing only slowly. But provided consumer confidence does not sink further, the economy seems capable of an annual growth rate of 2.5 per cent this quarter, rising to perhaps 3 per cent in the second half of the year.

Americans are frustrated by the slow recovery. But it may be no bad thing. The lack of an artificial public-sector stimulus means that companies, rather than consumers, are taking the lead; ultimately this could result in a more durable upturn. But will inflationary pres-

ures force the Fed to tighten monetary policy and ruin everything?

Superficially, there are grounds for concern. Sharp increases in consumer and producer prices in April were the third set of bad figures in four months. Since the beginning of the year, the consumer price index has risen at an annual rate of 3.9 per cent against a 2.9 per cent increase last year. This cannot all be put down to distortions such as a surge in the price of fresh vegetables following bad winter storms. The "core" consumer price index - which excludes the volatile food and energy components - has risen at an annual rate of 4.5 per cent since January.

Some of the Clinton administration's policies are also having an adverse effect. A ruling to block steel imports has allowed US steel companies to raise prices sharply. The year's sharp appreciation is forcing Japanese companies to raise US prices. Instead of concentrating on regaining market share, US competitors seem to be following suit.

Yet it is hard to get too alarmed. Industrial capacity utilisation rates are well below the levels that sparked inflation in the past. Wage pressures are subdued, reflecting the 7 per cent jobless rate. Unit labour costs were up only 1.4 per cent in the year to the first quarter, reflecting the improvement in productivity.

Price increases, moreover, have been bunched in the first four months in each of the past three years, casting doubts on the quality of seasonal adjustments. Some of the biggest sources of price pressures in recent months, such as higher air fares and tobacco prices - are already being reversed.

Bond markets are upset because they had anticipated a decline in inflation from 3 per cent to 2.5 per cent. This no longer looks feasible. But few of the leading forecasters expect inflation to rise much above 3.5 per cent this year and some say 3 per cent is still achievable.

In his Delphic public utterances, Mr Alan Greenspan, the Fed chairman, has shown every sign of leaning towards this relatively relaxed view of inflation trends. Under his leadership, the Fed has sensibly responded to "facts not forecasts".

At some point in the next six months to a year, the Fed probably will have to prove its anti-inflation credentials by raising short-term rates. But when that crucial turning point arrives, Mr Greenspan will want to confront a sceptical Clinton administration with incontrovertible evidence of the need for action. With unemployment high and the vigour of the recovery still a matter of debate, he does not yet have that compelling evidence.

## IMF leads where others must follow



PERSONAL VIEW

In the past and now made available to Russia and other transition economies by the International Monetary Fund. Readers may be misled into believing that money is about to be dispensed without regard for the pace and quality of economic reforms. Such misperceptions could harm the reform process and western support.

A closer look at what transpired last year would have helped Mr Balls and John Lloyd to appreciate why the IMF recently initiated a fresh approach. They might have avoided repeating the myth that only \$1bn of an original \$40bn aid package (for Russia) was disbursed in 1992. In fact, the IMF alone disbursed \$1bn. Bilateral credits and European Community disbursements totalled another \$16bn, and

formal debt rescheduling plus the accumulation of arrears conferred effective debt relief of \$14bn. Views may differ on how to count all this against the ill-defined \$24bn promised by western governments but everyone should understand that Russia, by standard measures of external financing applied by the IMF to all countries, effectively received financing of about \$30bn.

Russia could have obtained more help by now from the IMF and elsewhere, and be closer to a stable market economy, if it had been able to adhere to the economic and financial programme the government drew up last summer. Unfortunately, support within Russia for halting inflation and accelerating basic reforms was not broad enough, and crucial supporting institutional arrangements were not in place. Credit expansion by the central bank and the government's budget went badly off track, while most legal and institutional reform failed to accelerate.

The problem was not that "the IMF tried to nail down too many details", but that the government and central bank did not implement

their own programme. From long hard experience in many countries the IMF has learned that the devil is usually in the details. Successful implementation of a stabilisation programme requires that the authorities themselves pay full attention to the details. Some states of the former Soviet Union and other transition economies have also encountered unanticipated difficulties in sustaining economic reform programmes, although by contrast the three Baltic states have had considerable success so far, and not by ignoring the "details".

What could be done? Long before any Group of Seven pronouncements, the IMF was evaluating ways to help transition economies to focus on the preliminary steps necessary in vital areas before they

could execute comprehensive, fully articulated economic programmes. Concern was also mounting over the deteriorating external payments situation facing many of them, due to the collapse of state-directed trade and payments systems and to abrupt hikes in oil and gas import costs as energy prices were raised towards world market levels. An innovative form of IMF engagement was needed, and quickly.

The solution devised was a special temporary lending window, similar to others set up by the IMF in the past, with a more concentrated, streamlined version of the conditionality associated with traditional IMF standby credits. That is where Mr Balls and Mr Lloyd are especially wide of the mark. Far from jettisoning "financial considerations", the chief element for countries to qualify for the new IMF loans will be adoption of the critical measures needed to move towards financial stability. Mr Lawrence Summers is right: conditionality is being focused, not weakened.

In all its lending operations the IMF seeks credible assurances - including initial actions - that

sound financial policies will indeed be taken by borrowing countries. Only then does the IMF begin to disburse. Further drawings are conditional on agreed indicators of financial stabilisation being met.

The IMF's new "Systemic Transformation Facility" (STF), to provide modest opening round help to hard-pressed transition economies, was unveiled to strong support from its executive board. The ensuing Tokyo endorsement by the G7 of the IMF proposal was gratifying, but equally vital will be additional G7 financial support. A large G7 bilateral aid package for Russia is welcome, but support for the other transition economies, many highly interdependent with Russia, has still to be announced. Here again the IMF is taking the lead: the first STF drawing has just been approved for Kyrgyzstan. The G7 and others must soon follow.

Richard D Erb

The author is deputy managing director of the International Monetary Fund (IMF)

## Spending choices

TO PARAPHRASE one of its ministers, Mr John Major's cabinet should come clean about just how deep a hole it is in. The government is heading for the largest primary budget deficit in peacetime. Its commendable target is to cut the borrowing requirement, expected to reach \$50bn, from 8 per cent of gross domestic product to 3.75 per cent in 1997-98. If the rate of economic recovery is rapid, some of this may be achieved without pain. Revenue from taxation would then rise sharply while the demand for social security payments fell. Some of the shortfall in revenue could be met by further increases in taxation, but this the government is understandably anxious to avoid. The remaining option is deep cuts in spending.

A strong government would set out its stall then, and invite the public to accept the consequences. The administration moves from flap to exasperation, as it did yesterday over suggestions that the Treasury was pressing for the withdrawal of the National Health Service from dental care and the scrapping of free prescriptions for all but the poorest.

To his credit, Mr Michael Portillo, the chief secretary to the Treasury, has been graphic in his delineation of the problem, but necessarily cagey about possible solutions. The trouble arose when talk of NHS cuts stole headlines from a prime minister who had spent a day working to restore his authority after Maastricht.

That something would have to give. At question time yesterday Mr Major read out a long prepared answer which suggested that, while everything remained open, the idea of making worse-off pensioners and parents of sick children pay for their prescriptions could not have been further from his thoughts. Fine, but he should have explained that the deficit could not be tackled without some inroads being made into previously sacrosanct areas, although he could not say which ones.

That would be a reasonable if tough line to take. Mr Portillo has been given until next March or April to find and negotiate long-term reductions in public spending. There will be plenty of interdepartmental infighting between now and then. An interim result can be expected in the autumn, when the expenditure limits for 1994-95 are announced. Genuine reductions should at that time be demanded of most departments. Will the government be able to make them stick?

In the present climate there can be little confidence that it will. A government reversal of policy is no longer a surprise. The Conservatives are divided; their majority is small; the house is fractious. The cabinet cannot always have its way; any rebellious dozen of its supposed supporters can prevent it from doing almost anything. The budget deficit is too serious a matter to be left to these parliamentary high-jinks. Mr Major must spell this out, and thereby reassert his leadership.

## Number One problem

Forget the impending take-over by China. Today's hot topic in Hong Kong is who should be the number one citizen under the present regime - and governor Chris Patten isn't even a contender. The row centres on the licence plate "1", now gracing the car of police commissioner Li Kwun-ha. Some members of the legislative council want it auctioned for charity.

The proceeds, they claim, would be sure to exceed the record \$100,000-plus reportedly paid by businessman Wong Ming-hung for the "2" plate charitably surrendered for sale by finance secretary Hamish Macdonald. So the police chief ought to follow suit.

But 55-year-old Li disagrees, claiming his licence plate is essential to his force's esprit de corps. "When the balloons go up, our many fine young men and women are working in the street. If No 1 comes up, it has a tremendous morale-boosting effect," he explained.

"In that case," rejoined one of the auction lobby, "he ought to drive around town 24 hours a day."

chairman of the fast-expanding Lloyds Chemists, as does the stock market.

Lloyd, the \$348,000 a year boss of Britain's second biggest chemist chain, has failed in his first attempt to get elected to the council of the 182-year-old society. Lloyd, not normally lost for words, refused to say whether he will risk being snubbed a second time. Pity, since now that he has split the role of chairman and chief executive he should have more time on his hands.

## Sin and shame

Gleeson University psychologists studying the characteristics of different types of workers evidently had to settle for second best in choosing their latest research topic - "pride in software developers".

Word has it that they'd have preferred to study humility in chief executives, but were unable to find any examples.

## Farewell

Modest to the very last, Sir Owen Green stepped down as chairman of BTR, Britain's ninth-biggest company, after yesterday's annual meeting. Eschewing the opportunity granted by one shareholder who asked for a resume of his guiding principles, Sir Owen summed up 37 years of corporate wheeling and dealing simply: "All I offered was integrity and competence and all I would seek

## OBSERVER



'As my lawyer, you should know that I'm as innocent as the Guildford Four but not as innocent as the Guildford Four'

from my successors is integrity and competence." He departed with none of the razzmatazz that marks Hanson's meetings. There was no carefully orchestrated speech by a big city figure, nor any offer of an honorary life presidency. Just a few words from his old colleague Norman Ireland and Sir Owen was off.

## Grave economies

Even death no longer provides South Korea's citizens with an escape from their government's national austerity campaign. The

ministry of health and social affairs has pronounced a ban on unduly ornate tombs for ancestors.

To shame ostentatious descendants into conforming, the ministry has published a list of 109 cases of excessive tomb embellishment, of which 55 have already been corrected by the removal of stone statuary and the like. The posthumous offenders included former law-makers, several leading businessmen, and Unification Church leader Moon Sun-myung.

## Testing time

If you are interested in how honest business types can slip off the rails, don't forget to watch It's a Scam on BBC2 tomorrow night.

In the last of the current Hypotheticals series, Professor Arthur Miller of Harvard Law School does a first rate job cross-examining a group of leading British businessmen employed by an imaginary company. Out of a cast list which includes Sir John Quinlan, Lord Spens and Sir Nicholas Goodison, it is less well-known types such as Kingfisher's Nigel Whitaker, Michael East of Eastcastle Management, personal assistant Fiona Alfred, and Roger Pincham of Gerrard Vivian Gray, who turn in the best performances.

However, the real star of the show is G Ware Travelstead, the US property developer. Watch him and it's easy to see why he is about

the only person to have made money out of Canary Wharf.

## Not so happy birthday

Things have looked pretty bleak for Franz Steinbühler, Germany's cigar-smoking top trade unionist, in the past few days, after all the publicity about his dealings in Daimler-Benz shares.

So nice to note that, just in time for his 56th birthday yesterday, he has been getting a few loyal messages among the flood of predictable calls for his resignation.

The engineering union loyalists quoted an old proverb from the Ruhr, to the effect that: "It's the chap who does the work who makes the mistakes. An idle bloke never blunders."

While the Mercedes works councils say Steinbühler is an embarrassment (he sits on Daimler's supervisory board), the boys at Volkswagen (where he's also on the supervisory board) say magnanimously they think a bit of solidarity is in order even if their leaders are prone to err.

Wonder who'll be sending greetings for his 57th.

## Smoked out

Burglars trying to open a building-society safe in Littlehampton early yesterday were caught red-handed by the arrival of the fire brigade. The smoke from the robbers' blow torch was spotted by a resident, who raised the alarm.



## Danish vote may increase confidence in other currencies Yes may mean nein for D-Mark

By James Blitz in London

DENMARK'S vote in favour of the Maastricht treaty has given a boost to the project of European union. But dealers in financial markets wonder whether the Danish Yes has also signalled the start of a long-term decline for the mighty D-Mark on the foreign exchanges.

Over the last 12 months, the German currency benefited greatly from the turmoil in the European exchange rate mechanism, as currency and bond dealers sought a source of stability.

But as Maastricht gets back on track, there are signs that dealers are regaining confidence in currencies and bonds outside the D-Mark bloc. This process threatens to lift the veil on fundamental weaknesses in Germany's economy and its public finances.

"The poor fundamentals underpinning the German currency are becoming gradually exposed," says Mr Avinash Persaud, of UBS, the Swiss investment bank. "I anticipate the D-Mark will soon be one of the weakest of the major currencies."

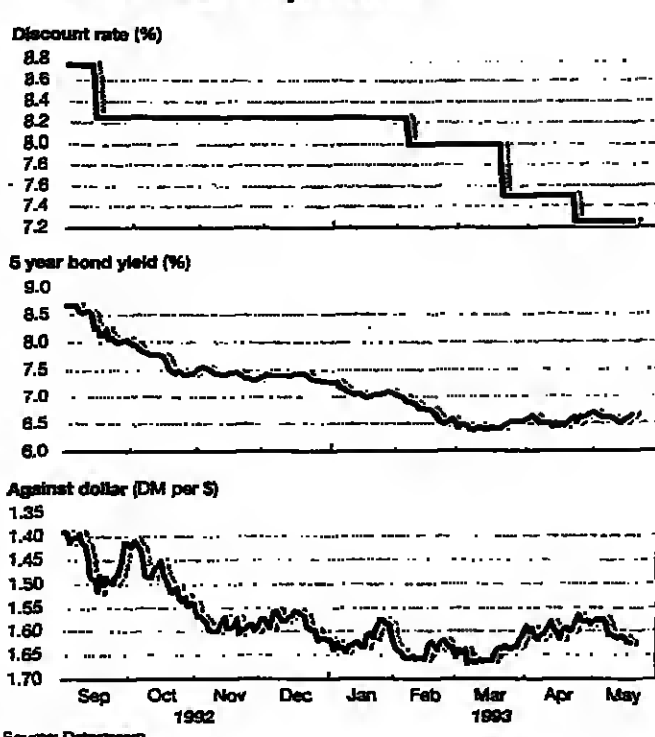
This week, the Danish vote has already triggered a sharp outflow of "hot money" from the D-Mark into other European currencies and bonds.

In recent months, international investors had bought the D-Mark as a way of hedging against the possibility of further devaluations of currencies like the Danish krone, the peseta and the escudo.

But the last three days have seen a one-off flow of funds out of the D-Mark, lifting sterling, the Italian lira and the Iberian currencies, while weakening the D-Mark and German government bonds.

Simultaneously, there has been a surge of short-term investment in the dollar, following US consumer inflation figures that show

How the D-Mark depreciated



a 3.7 per cent rise in the first three months of this year, from just 3 per cent in the previous quarter.

Some dollar investors believe the data may have given the Federal Reserve's open market committee, which met this week, a reason to raise short-term US interest rates - a move that would increase the premium on short-term dollar holdings.

Initially, the developments in Denmark and the US may only affect flows of hot money between the main currencies. But several longer-term factors are forcing institutional investors to ponder the weighting of D-Marks in their currency

and bond portfolios.

● The increase in Germany's current account and budget deficits, as a result of reunification, has raised fears about a build-up of D-Mark-denominated paper on the world's bond markets. For 1993, the Federal deficit forecast has risen from DM43bn (\$26.5bn) to DM70bn. But this figure still appears implausible to many analysts.

● With German GDP set to fall by about 2 per cent this year, the Bundesbank is also likely to reduce short-term interest rates further, thus reducing the premium for investors holding D-Marks.

It is also in the interest of the

government and central banks to pull down short-term rates as quickly as possible in order to alleviate the funding burden and attract investment into longer-dated bonds.

● Following the five realignments since last autumn, the D-Mark is the one currency in the ERM that remains significantly over-valued. It is thought to be 20 per cent over-valued on a purchasing power parity basis; this will have to be addressed if the country is to maintain its share of export markets. Amid all these factors, the near-term outlook for the D-Mark depends on how the Bundesbank responds.

Several Bundesbank council members have raised concern that a weakening D-Mark would raise the prospect of imported inflation.

But Mr Steve Hannah, a director of IBM International, believes that it will be difficult for the Bundesbank to respond to this danger by tightening monetary policy.

"If the D-Mark falls independently of German interest rate cuts, the Bundesbank might have to slow its easing of monetary policy to keep the D-Mark strong, worsening the recession," he said. The Bundesbank's hope must be that, as interest rates come down, there is an orderly depreciation in the D-Mark. But the long-term outlook for the D-Mark remains far from certain.

The D-Mark remains an important reserve currency of European central banks and the proportion of foreign exchange turnover in D-Marks has increased in recent years.

But a parallel is often drawn these days between the D-Mark's current situation and the way in which the dollar's status as a reserve currency has been gently eroded in the last 30 years by the build-up of America's trade and budget deficits.

received in direct subsidies, soft loans and credit guarantees since 1978, when the company first ran into difficulties, the federal economic ministry has turned a deaf ear to calls for fresh money.

For the state Social Democratic government, keeping Saarstahl alive is vital. The state already has the second-highest unemployment rate in western Germany after Bremen, home of the Klöckner-Werke plants. Saarstahl workers believe their state government will rescue the steelmaker from total collapse, as it did when the company was bought back from Arbed of Luxembourg for a notional DM2 in 1986.

They say the blame lies with Usinor-Sacilor, which, according to Mr Fries of the workers' union, refused plans for a new capital injection made by the state government, which owns a 27.5 per cent stake.

"Steel is all politics," said Mr Fries, suggesting that job losses mattered less to the French than to the Saarland government. Saarland voted twice, in 1935 and 1955, to be reattached to Germany after falling under French administration at the end of both world wars.

"Maybe, if we were French steelworkers, we would have kept our jobs," said one of the plant's workers.

The closure of Saarstahl, which produced 2.2m tonnes of long products in 1992, threatens 7,500 jobs. Long products, such as rods, wires and steel sections, have

been hit hardest by cheaper imports from eastern Europe.

A total rescue mission for Saarstahl is now ruled out. But the company has four or five mills which operate competitively as a result of heavy investments made in the last decade, according to Mr Lothar Kramm, the official responsible for steel in Saarland's state government.

Already the most subsidised steelmaker in Germany, it will not receive additional funds from the federal budget, however. Pointing to some DM3.7bn

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## THE LEX COLUMN Doling out good news

FT-SE Index: 2816.8 (-2.9)

## Scottish Power

Share price relative to the FT-SE Electricity Index

110

105

100

95

90

85

80

75

70

65

60

55

50

45

40

35

30

25

20

15

10

5

0

-5

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INSIDE

**TCI and Televisa  
in cable venture**

The world's largest cable television operator, TCI, is to buy 49 per cent of Cablevision, the cable subsidiary of Mexico's giant media company Grupo Televisa. As part of the deal, TCI and Televisa will set up a joint venture to develop cable and pay television in Latin America. Page 21

**Prudential switches to accruals**

Prudential Corporation, Britain's largest life insurer, yesterday became the first of the UK's leading life insurers to ditch the traditional "embedded value" method of accounting for profits in favour of the new proposed "accruals" basis. Securities analysts had criticised the standard method as flawed because it does not recognise profits or losses from insurance policies until they mature. Under accruals accounting, profits are much more closely related to on-going activities. Using this method, the Pru's 1992 earnings rose 9 per cent to £207m (£1.24bn). Page 24

**Rubber pact at risk**

The future of the International Natural Rubber Agreement will be decided next week in negotiations which come as rubber prices have slumped to their lowest level in real terms for more than 30 years. Malaysia, until recently the world's biggest producer, has seen its rubber production fall in each of the last four years as low prices have forced plantation owners and farmers out of business. Page 38

**Warehouse party is over**

In the US, you can buy anything from office supplies to food items at bargain-basement prices from huge shacks on the outskirts of many urban areas. These "warehouse clubs", carrying a limited range of items and using minimal advertising, have shown steady growth over the last 20 years. But now the explosion appears to be over. As the home market shrinks, a shake-out seems possible, and many operators are responding by looking for expansion opportunities abroad. Nikit Tait reports. Page 20

**Undaunted by confusion**

US stock markets have risen to record highs this week despite confusion and uncertainty over where stocks, bonds, gold prices and the economy are heading; wild rumours about what well-known investment managers are doing with their money; and a burst of hysteria about inflation and monetary policy. "Maybe the market is saying something major about the future," said veteran market watcher Laszlo Binyai of Binyai Associates in New York. "What it is, I don't know." Back page

**Australian banks in contrast**

Australia's two largest banks yesterday revealed widely contrasting financial performances for the six months to March. National Australia Bank consolidated its position as the country's most successful major bank by lifting its net earnings by 25 per cent. In contrast, Westpac Banking Corporation reported a \$204.6m (£146.10m) loss. Page 22

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Fiat	22	Navistar	22
French Connection	22	Navistar	22
Gardner & National	22	Navistar	22
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ITC	22	Navistar	22
Intracom	22	Navistar	22
Investec	22	Navistar	22
Itoschu	22	Navistar	22
K mart	22	Navistar	22
King & Shazson	22	Navistar	22
Kleider	22	Navistar	22
Kunkin	22	Navistar	22
Laird (John)	22	Navistar	22
MOIT	22	Navistar	22
Martin Currie	22	Navistar	22
Marbent	22	Navistar	22
Masarelli	22	Navistar	22

**Chief price changes yesterday**

NEW YORK (\$)		TOKYO (¥)	
Gold	380.00	Gold	580.00
Crude oil	23.00	Crude oil	705.00
Crude oil	23.00	Crude oil	777.00
Crude oil	23.00	Crude oil	777.00
Crude oil	23.00	Crude oil	777.00
Crude oil	23.00	Crude oil	777.00
Crude oil	23.00	Crude oil	777.00
Crude oil	23.00	Crude oil	777.00
Crude oil	23.00	Crude oil	777.00
Crude oil	23.00	Crude oil	777.00

**LONDON (Pence)**

Gold	380.00	Gold	580.00
Crude oil	23.00	Crude oil	705.00
Crude oil	23.00	Crude oil	777.00
Crude oil	23.00	Crude oil	777.00
Crude oil	23.00	Crude oil	777.00
Crude oil	23.00	Crude oil	777.00
Crude oil	23.00	Crude oil	777.00
Crude oil	23.00	Crude oil	777.00
Crude oil	23.00	Crude oil	777.00
Crude oil	23.00	Crude oil	777.00

**Fall in demand hits Matsushita and Sony**

By Michio Nakamoto in Tokyo

MATSUSHITA and Sony, two of the world's leading consumer electronics companies, yesterday reported sharp declines in pre-tax profits for the year ended March as demand continued to be severely depressed in major markets.

They warned that conditions were unlikely to improve significantly in the current year.

Both companies were also under considerable strain from higher depreciation costs, including amortisation resulting from their acquisition of important film studios in the US and from the yen's sharp appreciation in the past year.

Matsushita, the world's largest electronics group, reported a 54 per cent decline in pre-tax profits to ¥158.4bn (\$1.52bn) from

the previous year. Sales were down 5 per cent to ¥7,055.9bn, while net profits decreased 71 per cent to ¥38.4bn.

Sony saw a 57 per cent decline in pre-tax profits to ¥52.6bn on sales up 1.6 per cent to ¥3,593bn.

Net profits fell 70 per cent to ¥36.3bn. The sharp fall was partly due to an extraordinary gain from sales of shares in a subsidiary the previous year.

The 6 per cent appreciation of the yen during the period also had a significant impact. Sony, which is dependent on exports for 66 per cent of sales, said that the yen's appreciation had resulted in a ¥154bn decline in revenues.

For Matsushita, which has an export ratio of 36 per cent, the impact was just ¥7.3bn.

Both companies faced difficulty in the

market for audio and video equipment. Matsushita also saw declines in most of its other product areas such as home appliances, electronic components and entertainment. The group was hit by restructuring costs for JVC, the troubled audio-visual affiliate, and by costs relating to defective refrigerators sold by another subsidiary.

Sony said that in the past six months it had sold 240,000 units of the MiniDisc, one of its newest products.

One area in which Sony did particularly well in contrast to Matsushita was in the entertainment field. Sony's film division increased sales by 16 per cent in yen terms and 25 per cent on a dollar basis.

Sony's music division, reported a slight decline in yen but a 16 per cent increase on a local currency basis.

Meanwhile Matsushita's entertainment division, which includes MCA studios, reported a 3 per cent sales decline in yen terms although this would have been a slight increase on a dollar basis.

Both Matsushita and Sony are cutting costs to meet what they expect will be continued weakness in their markets.

Capital expenditure has been nearly halved at Sony while Matsushita has been reducing the number of product models it offers as well as other costs.

Matsushita is forecasting flat sales for next year at ¥7,060bn on a consolidated basis and a 25 per cent increase in pre-tax profits to ¥210bn.

Sony is forecasting a 2 per cent decline in sales to ¥3,910bn and a 6 per cent decline in pre-tax profits to ¥57bn due in part to higher interest charges.

**Tokyo trading houses in decline**

By Robert Thomson in Tokyo

JAPAN'S LEADING trading houses yesterday reported sharply lower profits, after booking losses on securities investments made during the late 1980s.

Mitsubishi Corporation, the core company of the Mitsubishi group, reported a 62 per cent fall in net profits, to ¥15.3bn (\$137.83m), for the year to March, after making provisions of ¥96bn for stock losses and the restructuring of M.C. Finance, a subsidiary which became a symbol of its investment excesses during the late 1980s.

The profits of several other trading houses, including Sumitomo Corporation, Marubeni, and Itochu were also dragged down by losses on their securities funds, which had been regarded as an important "profit centre" to supplement core profits during the late 1980s, when stock prices surged.

Mr Tetsuo Kamimura, Mitsubishi's managing director, said the company covered some losses by realising ¥30bn from the sale of equities. He said the company still had ¥918bn in unrealised gains on stocks, though that included Mitsubishi group cross-holdings unlikely to be sold.

Transactions by Mitsubishi for the year totalled ¥14,996bn, down 4.5 per cent, while pre-tax profit was 12 per cent lower at ¥75.6bn.

Sanitomo Corporation reported a 12 per cent fall in turnover to ¥16,530bn, and pre-tax profit fell 85 per cent to ¥41bn, as the company reported an ¥18.7bn appraisal loss on securities holdings and made a ¥12.5bn special profit on a property sale.

Mitsui and Co reported a 4 per cent decline in total turnover to ¥15,496bn, but a 5.9 per cent increase in net profit to ¥23.9bn, mainly because its exposure to securities investment funds was less than that of other trading houses.

Itochu reported a 7.4 per cent decline in transactions to ¥16,525bn, but a 10 per cent increase in pre-tax profit to ¥40.8bn, attributed to a decrease in interest payments following a reduction of interest rates over the year.

Marubeni said turnover fell 7.5 per cent to ¥16,863bn, while pre-tax profit was 2.6 per cent lower at ¥37.4bn, and net profit slipped 37.4 per cent to ¥10.9bn.

**Roland Rudd on the UK government's sale of shares in the telecommunications group**

**British Telecom dialling for dollars, yen, pounds**

When Lord Cairns, chief

executive of SG Warburg, launches the marketing campaign for the sale of the UK government's remaining shares in BT on Monday, he will be looking forward to a relatively trouble-free few months.

There is a marked contrast with the atmosphere surrounding the second sale of BT shares in 1991, in which Warburg also played the leading role. That sale was dogged by political uncertainty in the run-up to the British general election; by concern over the imminent price review by Ofcom, the industry regulator; and by a row with investment institutions over how the float was marketed.

This time, Lord Cairns will have fewer worries as he announces the timetable for the sale. He is expected to say that, subject to demand, the UK Treasury plans to sell all of its 21.9 per cent holding valued at more than £5bn (£7.7bn) in mid-July.

Still, though the current sale is progressing smoothly a number of concerns remain.

The first of these is the emergence of wider competition to BT's basic business. Mr Tim Hirst, analyst at Kleinwort Benson, one of the stockbrokers which declined to take part in the sale when it was not asked to be a global manager, says the potential impact has been underestimated. He expects that cable operators will be providing telephony to more than 2m residential and 500,000 business customers by 1997, compared with a total of 150,000 today.

Mr Hirst estimates that this could cost BT £550m a year in lost line rental and call volumes.

That is only 4 per cent of BT's current revenues, but since much of BT's network costs are fixed, there may be a painful impact on profits.

The second area of potential concern is, as always, the attitude of the regulator. Uncertainty currently hangs over how much BT should charge its competitors for the use of its lines. Ofcom is expected to report on this shortly.

For Warburg, global co-ordinator to the offer, the third issue is closer to home. The structure of the sale is proving controversial. For the first time in any privatisation 11 global managers will compete among each other to sell the new shares to the top 500 institutions throughout the world.

The government decided against the usual practice of giving brokers exclusive rights in different parts of the globe. Instead, it decided that competition among selected managers would drum up demand and increase the price.

But the idea that there is going to be vigorous competition is not as simple as it seems.

During the pre-marketing phase, which lasts for around two weeks, all the brokers - apart from Warburg - may only approach institutions in an region allocated to them as their home base. Merrill Lynch and Morgan Stanley, for example, may only market the offer to US institutions, while Daiwa will be restricted to Japan.

Warburg, however, will be able to market shares anywhere in the world. Only at the end of the pre-marketing phase can all the managers compete for big investors in any country.

The delay is meant to prevent institutions from being pestered by over-zealous government advisers. Warburg has introduced rules to control the competition throughout the sale.

Every week each global manager has to report on how it sees the market in BT shares developing with a copy for Warburg.

All contacts with institutions, even within an allocated region, must be reported to Warburg.

During the roadshows in which BT will actively market the government's shares around the world, Warburg will be the only adviser in the one-to-one meetings between the company and potential investors.

Mr James Sassoon, a director of SG Warburg, said: "In any competition one needs a set of rules to make sure competition is fair and to make it fair there has to be some control. We have to make sure the control is not excessive."

What has emerged is a hybrid structure combining both competition and control. But some of the global managers are not convinced that Warburg has got the balance right.

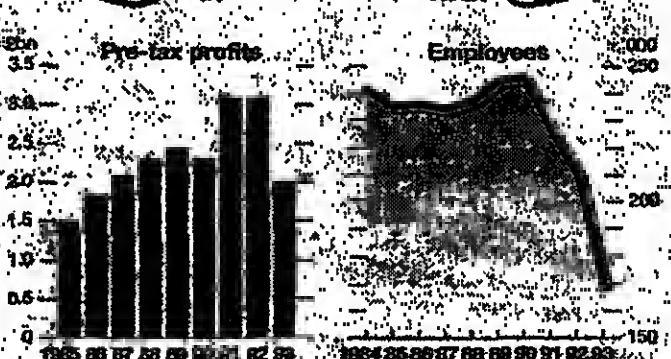
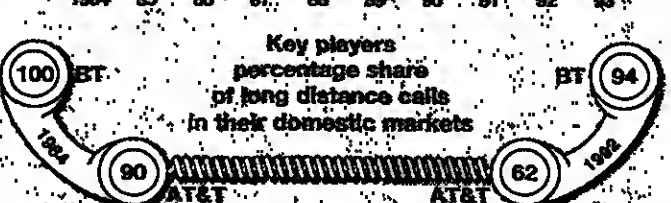
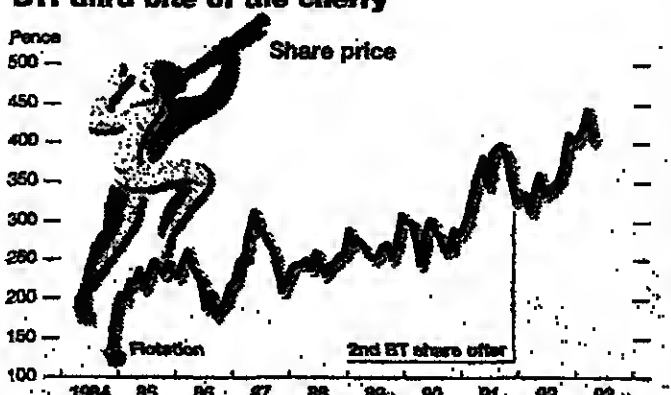
One global manager advised Warburg "to play it very carefully and to play it straight because the potential for conflict is so great".

The particular concern of some global managers is that Warburg will use the information passed to it by other brokers to win a greater share of business, particularly in overseas markets.

However, Warburg says this will not happen because it has established a "Chinese wall" between the directors co-ordinating the sale and the team competing for business with the global managers.

Though relations between the issues' managers may prove delicate, they are likely to meet considerable appetite for the shares. A number of big UK institutions, for example, said they were underweight in BT shares and welcomed the opportunity to buy more.

**BT: third bite of the cherry**



**There is one other comforting factor**

the last sale, some institutions felt Warburg was being heavy-handed in threatening to penalise investors who tried to go short of the stock ahead of the sale. In practice, however, they had no complaints about the relaxed way the policy was implemented. Though it will also apply this time, fund managers do not expect the row to recur.

**Surge in truck sales helps Navistar move out of the red**

By Laurie Morse in Chicago

A SURGE in medium and heavy truck sales in the second quarter allowed Navistar International, the US truck and engine maker, to claw back to a quarterly profit after 10 consecutive quarters of losses.

Navistar said net income was \$6m in the second quarter of this year, or 1 cent per common share, against a net loss of \$35m or 17 cents in the same quarter of 1992. Sales jumped to \$1.24bn, up 38 per cent.

Navistar increased its share of the North American truck market to 28.7 per cent, from 26.4 per cent last year.

Shipments of medium and heavy trucks and school bus chassis rose 40 per cent to 20,700 units. Diesel engine shipments rose 19 per cent.

Navistar sold 71,500 trucks in the quarter, up 19 per cent.

The surge in sales prompted Navistar to increase its projections for overall industry demand for trucks in 1993-94. The company now expects North America to demand 400,000 trucks, up from 370,000 last year.

"Orders for heavy trucks remain strong, while the market for medium trucks is improving as well," said Mr James Cotting, Navistar's chairman.

The profitable quarter comes just as the troubled truckmaker is in the final stages of negotiating a settlement with employee unions to restructure pensioner health care and life insurance programmes.

The settlement, which has been accepted by the unions and is

awaiting court approval, involves the issuing of 250m shares of new common stock. The issue will double Navistar's existing share base.

As the result of 1990's restructuring and the sale of its International Harvester heavy equipment operations, Navistar supports three pensioners for every active worker.

The proposed settlement, while diluting stock, is projected to save Navistar \$90m per year in costs.

Navistar intends to seek shareholder approval of the settlement at a special meeting tentatively scheduled for late June.

At the end of April, Navistar carried \$1.3bn in debt, against \$3.8bn in assets. Long-term debt comprised 32 per cent of its capitalisation, while shareholder equity was \$345m.

**Foreign growth aids British Gas**

By Deborah Hargreaves in London

THE overseas business of British Gas offset a sharp decline in UK income with the group's overall first-quarter profits slipping by \$2m to \$550m (\$1bn).

Its exploration and production division showed a \$50m increase in profit to \$175m. The UK gas business reported a drop in profit to \$745m from \$785m.

Competition and regulatory pressure led to a \$75m reduction in profits on UK sales, but this was largely offset by lower gas purchase costs and growth in overseas operations.

The company said yesterday it could be forced to cut as many as 15,000 jobs or 20 per cent of its workforce in its core gas business over the next couple of

years as the company faces increasing competition and regulatory pressure. But Mr Cedric Brown, chief executive, stressed that the company's plans are dependent on the outcome of the inquiry by the UK Monopolies and Mergers Commission which is due to report in July.

This year, British Gas plans to cut around 4,000 jobs in its UK gas business division - about 1,000 more than previously planned - and just over 1,200 among its headquarters staff.

The cost-cutting move is being prompted by a squeeze on British Gas's profits from a price cap on household sales and competition in the industrial and commercial market.

Mr Brown said the monopolies commission report would have an important effect on profitability.

"The ability for the company to expand and prosper depends on getting a fair reward for investment. The alternative is a damaging squeeze on profits."

He stressed that if the household supply market were opened up to competition, some customers would gain price savings of as much as 15 per cent. But British Gas estimates that only 6m - a third - of its customers would gain and 12m households would end up paying more - some could pay 90 per cent more.

British Gas has so far given up over a quarter of its entire industrial market to rival suppliers which have also taken 12 per cent of the commercial market. But the company is committed to giving up 80 per cent of its industrial market by 1995.

Lex, Page 18

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## INTERNATIONAL COMPANIES AND FINANCE

## Hungary pledges help for troubled commercial banks

By Nicholas Denton  
in Budapest

HUNGARY vowed yesterday to recapitalise its troubled financial sector after the disclosure in the *Financial Times* that loan losses at Magyar Hitel Bank and Kereskedelmi Bank, the two largest commercial banks, had wiped out their capital.

AV RT, the state holding company, said it would be ready to put proposals on new capital for the banks it owns before the government's economic cabinet in two or three weeks.

A World Bank International Monetary Fund mission is then due in June to discuss a broader programme to restructure Hungary's problem debtors as well as to recapitalise problem banks, said Mr Teleki, chairman of the AV RT.

Mr Teleki conceded yesterday new capital was necessary but would not comment on a recommendation by the World Bank for an infusion of \$100bn (\$1.1bn) to bring the capital adequacy of the whole banking sector up to 4 per cent of assets on international accounting.

However, an AV RT official said that the World Bank was

considering a package worth upwards of \$400m in structural adjustment and enterprise restructuring loans to help put Hungary's financial system in order.

Mr Teleki's comments came in an angry response to yesterday's publication of data from a confidential World Bank document which revealed that Hungary's top commercial banks were "technically insolvent".

Mr Teleki accepted that Hungarian banks did not meet international norms for capital strength. But added: "That is not the aim. While they are still not privatised there is no point in them meeting international standards."

Hitel Bank yesterday responded to the revelation of its technical insolvency by stressing it remained liquid and stated that it had positive capital under Hungary's, more flattering, accounting principles.

Citibank Overseas Investment is to lift its stake in Citibank Budapest to 100 per cent by acquiring a 20 per cent stake from the National Bank of Hungary. Renter reports from Budapest.

The Budapest-based bank earned pre-tax profits of \$2bn in 1992.

## Warehouse clubs pay price for wafer-thin margins

Nikki Tait analyses the gloom surrounding large discount stores in the US as profits and sales recede

AFTER two decades of steady expansion, has the "warehouse club" explosion in the US come to an abrupt halt?

If so, what does this mean for the nation's large discount store operators, who own many of these cut-price, no-frills retail barns, and whose "everyday low pricing" strategies have dominated the stores sector for the past few years?

The worries are real. Only this week, K mart - in the process of reporting an 80 per cent slump in first-quarter profits - noted that "like-for-like" sales in its 114-outlet PACE warehouse chain dipped by almost 6 per cent during the three months to April.

Waban, which owns the smallest of the five big warehouse club chains, reported a 25 per cent fall in underlying first-quarter profits.

On the west coast, shares in Washington-based Costco, which has plans to introduce warehouse clubs to the UK, have halved over the past year. Even the mighty Wal-Mart Stores has been affected.

Wal-Mart's Sam's Clubs division, the largest club chain, saw revenues from comparable outlets decline in February and March. That, in turn, fuelled Wall Street's perennial worries over whether America's top-selling retailer would be able to sustain its remarkable growth rate. Wal-Mart shares are flirting with their 52-week low.

Such gloom contrasts

sharply with the results established by warehouse clubs over the past 15 years. The concept was born in California in the late-1970s, when an aptly-named entrepreneur, Mr Sol Price, opened the first outlet in San Diego.

Competitors quickly followed Mr Price's lead and club sales erupted. Having stood at only \$2bn in 1984, they rose to almost \$18bn in 1989. Last year, they totalled \$33bn. These advances have come partly from new openings, but some operators - such as Costco - have enjoyed comparable store sales growth in excess of 20 per cent in recent years.

Today, the typical warehouse club outlet comprises a large shack, probably on the outskirts of an urban area and stocked with anything from office supplies to food items, which are sold at bargain-basement prices.

Many of the customers, who usually pay a one-off membership fee, are small businesses. To keep costs down, warehouse clubs carry a limited range of items (perhaps 3,500 to 4,500 compared with a discount retailer's 20,000-plus), have shorter opening hours, and use minimal advertising.

Gross margins in the warehouse club business have always been thin, making sales growth essential to any profit momentum. Now, it seems, this is waning.

"Warehouse clubs have found it difficult to get any real sales growth," says Mr

US WAREHOUSE CLUBS			
Chain	Sales (\$bn)	Operating profits (\$bn)	Number of stores
Sam's Club	12.2	270	258
Price Club	7.5	223	84
Costco Wholesale Club	6.6	184	100
PACE	4.4	3	114
BJ's Wholesale Club	1.8	30	39

Figures at end January 1993.

Source: Loebe Retail Letter

Walter Loebe, retail consultant.

Mr Jeffrey Feiner, analyst at Salomon Brothers, estimates same-store sales growth at Costco and Sam's will probably reach 5 per cent in 1993, way below the double-digit figures seen in recent years.

However, this stagnation, say the pessimists, is only symptomatic of more fundamental problems faced by the warehouse club industry.

Clubs are seeing increased competition from a new breed of specialised superstores. These have sprung up in many product sectors, from books to footwear, and, in many cases, have yet to prove themselves in profit terms.

Such outlets are large (at upwards of 100,000 sq ft, they are at least three times the size of an average UK supermarket) and carry an extensive range of products within a clearly defined merchandise category.

The Incredible Universe stores, which Tandy Corporation opened in Texas and Oregon last year is a good example. At about 150,000 sq ft, these outlets are about 50 per cent larger than the average

warehouse club.

They are filled solely with electronic goods, from refrigerators to cameras, which are proffered at highly attractive prices.

"These power retailers have well-informed sales people to advise on selection," comments Mr Loebe. "They carry competitively-priced products, so many customers no longer regard warehouse clubs as the lowest price source."

He notes that some superstores are devoting part of their store space to warehouse-style racking, bulk-packaged goods and selling at club-style prices.

There is the lack of growth in the economy generally, and in the small business sector in particular.

According to Dun & Bradstreet, the financial information group, the number of new business incorporations was on a steady five-year decline between 1986 and 1991, while business failures have been mounting steadily and reached record levels in 1992.

In an effort to stimulate sales, some warehouse club

operators have been experimenting with new product lines. Costco, for example, has tested garden equipment and professional tools, while others have added drug store products and optical services.

The clubs' success is intrinsically linked to their very tight operating parameters, and the wafer-thin margins leave little room for error. Any significant increase in items offered, tends to result in a disproportionate rise in selling costs.

Club operators, buoyed by the apparent success of their sub-sector, have been opening new outlets at a formidable rate. This has led to congestion in certain geographical regions.

In the Dallas-Fort Worth area, for example, Sam's had more than a dozen stores by the end of 1992. PACE had four, and Price Club, one. Almost two-thirds of these outlets had opened over the past two years.

That said, some analysts think the recent reaction to the clubs' sales slowdown has been overdone.

They note that food items account for over half the clubs' turnover, and that food prices have been falling - meaning that sales in this area have had to run to stand still. That is unlikely to be a long-term trend.

The warehouse club sector may have scope for some further consolidation, alleviating the congestion difficulties. To an extent, this has happened.

An example is the merger of PACE and Price Savers, once owned by Kroger, the super-market group.

"Similar to other retail sub-sectors, we believe that the warehouse club sector will have to undergo some type of shake-out," say analysts at Salomon.

What seems likely is that, if home market growth is slowing, warehouse club operators will be increasingly anxious to expand their horizons. This has started to happen.

Wal-Mart and Price Company, have crossed the border into Mexico in conjunction with local partners.

Price Company, in a joint venture with Littlewoods, and Costco, in which France's Carrefour owns a minority stake, plan to open outlets in the UK. Both companies operate a dozen or more club-outlets in Canada.

Price, while denying that overseas expansion is simply a response to sluggish conditions at home, has a joint venture in Spain and Portugal, where it is looking for sites in the hope of opening its first warehouse on the outskirts of Madrid next year.

However, Price is more cautious about some pundits' suggestions that the warehouse clubs could work well in parts of eastern Europe.

"Eastern Europe is a procurement question," it comments. "One can establish clubs, but will one have products to sell?"

## Storehouse stays in profit after disposals

By Neil Buckley in London

STOREHOUSE, the UK retail group that includes BHS and Mothercare, continued its recovery yesterday as it announced a pre-tax profit of £15.2m (\$24.4m).

That was slightly down on last year's £15.5m, but was after exceptional costs of £1.1m to cover losses on the sale of the Habitat and Richards chains last autumn. Before these costs, the profit was £16.8m - outstripping City of London forecasts.

Operating profits for the continuing retail businesses rose

fourfold to £43m. But Storehouse shares fell 2p to 199p in a subdued market.

Mr Ian Hay Davidson, chairman, said Storehouse had "made great progress in the last year on all fronts", and expected sales and profits to continue.

Sales in the continuing businesses rose to £966.5m from £880.5m, although total sales fell to £1.1bn from £1.15bn because of the disposals.

Earnings per share after exceptional costs of 0.1p from 2.6p. The final dividend was held at 2.5p, for a total of 5p. Lex, Page 18

## ScottishPower beats forecast for full year

By David Lascelles,  
Resources Editor

SCOTTISHPower, one of the UK's power generators, launched the electricity results season yesterday with better-than-expected profits, but a dividend that fell slightly below forecasts.

The Glasgow-based company, which engages in electricity generation as well as distribution, made a pre-tax profit of £257m (\$457.38m) in the year ending March 31, an increase of 14 per cent. Analysts had been expecting a figure around

£290m. The shares gained 5p to 313p.

The result included a £23m reorganisation provision offset by a £8.7m credit for a reassessment of energy losses in the system. There was a net interest charge of £2m and a £10.4m net premium charge on redemptions of government debt.

The board is recommending a final dividend of 7.43p, bringing the total for the year to 11.15p, an increase of 10.1 per cent.

The board said this was in line with a policy of providing

sustained real dividend growth, but dividend cover was maintained at 2.5 times.

Mr Murray Stuart, the chairman, described the past year as "extremely active and successful".

The main source of revenue was the company's home market where sales reached £1.2bn, up 5.7 per cent.

The rise came both from a price increase and higher volumes due to the poor weather. Exports to England rose 3.1 per cent to £73m.

These are expected to show further increases as the capacity

of the cross-border interconnector is raised.

Turnover in the appliance retailing business rose 37 per cent to £58m, producing a profit of £4.5m, up from £1.8m the year before.

ScottishPower's profits were lifted by further reductions in costs, particularly manpower. Staff numbers have fallen by more than 1,400 to 8,655 in the two years since privatisation, contributing to a 49 per cent increase in operating profit per employee to £21,500 over the period.

Lex, Page 18

## Telefonica improves 17.4% in first term

By Peter Bruce in Madrid

TELEFONICA, the state-controlled Spanish telecommunications monopoly, has reported consolidated group pre-tax profits for the first three months of 1993 of Ptas19.3bn (\$166.4m), a 17.4 per cent increase on the same period last year.

According to figures filed with the CNMV, the Spanish stock market commission, Telefonica's group sales reached Ptas306.5bn, up from

Ptas284.5bn in the first quarter of 1992.

Earlier this month, the Telefonica parent reported first-quarter pre-tax profits of Ptas18.3bn, up from Ptas14.9bn last year, while it paid turnover-related Ptas292bn, up from Ptas270bn.

The fact that group profits have overtaken the parent's will come as some relief to the company. Consolidated profits last year were hit by losses at some of Telefonica's smaller domestic service companies.

## REPUBLIC OF POLAND

MINISTRY OF PRIVATISATION  
INVITATION TO NEGOTIATE

As part of the Polish Government's privatisation programme, the Minister of Privatisation, acting on behalf of the State Treasury, in accordance with Article 23 of the Privatisation of State-Owned Enterprises Act of July 13th 1990 (The Privatisation Act), is issuing an Invitation to Negotiate to all suitably qualified parties interested in the purchase of no less than 10% of the shares of:

- three tyre manufacturing companies:

STOMIL Debica S.A.  
STOMIL Olsztyn S.A.  
STOMIL Poznan S.A.

- one rubber processing company:

STOMIL Sanok S.A.

In accordance with Article 24 of The Privatisation Act, up to 20% of the shares of each company will be offered to the employees on a preferential basis. The present invitation to negotiate also encompasses the option to purchase shares offered to the employees pursuant to this article but not purchased by the employees.

The Ministry of Privatisation reserves the right to reject submitted offers or to modify the privatisation procedures, should this be in the interest of the Ministry or the Companies.

## Procedure:

Interested parties should record their interest in the above matter by contacting the undermentioned transaction managers. Information packages concerning one or several of the above mentioned companies will be sent against letters of confidentiality.

## SOCIETE GENERALE

Capital Markets Division - Privatisation dept.  
50 rue Tailbout  
Paris 75009  
France

Attn: Mr. Frédéric Bobo

Mr. Eric Clairefond

Tel.: (33-1) 44-63-78-32

Fax: (33-1) 44-63-69-25

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## Notification of Dividend

The Ordinary General Meeting on May 19, 1993, has resolved to distribute the distributable profit for the 1992 financial year being DM 694,967,335 and has approved the payment of

a dividend of DM 15 per share of DM 50 par value.

The dividend will be paid less 25% investment income tax against presentation of Dividend Coupon No. 58 at one of the paying agents listed in the Federal Gazette (Bundesanzeiger) of the Federal Republic of Germany No. 94 dated May 22, 1993.

In accordance with the British-German Double Taxation Convention of November 26, 1964, as amended in the protocol of March 23, 1970, the German withholding tax is reduced from 25% to 15% for shareholders resident in the United Kingdom. To claim this, shareholders must submit an application for refund by December 31, 1997 at the latest. The application should be addressed to the Bundesamt fuer Finanzen, Friedhofstrasse 1, D-5300 Bonn 3.

In the United Kingdom payment will take place through the following banks:

Deutsche Bank AG, London Branch, 6, Bishopsgate, London EC2P 2AT.  
Midland Bank plc, Securities Services UK Department, Ground floor, Suffolk House, 5 Laurence Pountney Hill, London EC4R 0EU.

The dividend payment in the United Kingdom is made in Pound Sterling converted from Deutsche Mark at the rate prevailing on the day of presentation of the dividend coupon.

Frankfurt am Main, May 1993

Board of Managing Directors

## Banque Indosuez

U.S. \$125,000,000

Floating Rate

Notes due 1997

For the six months 20th May, 1993 to 22nd November, 1993 the Notes will carry an interest rate of 3.75% per annum and coupon amount of U.S. \$187.29 per U.S. \$100,000 Note.

Issued on the Luxembourg Stock Exchange

Bankers Trust Company, London Agent Bank

## National &amp; Provincial

Building Society

Issued on 15th May 1993

Floating Rate Notes 1999

Notice is hereby given that for the three months 17th May, 1993 to 17th August, 1993 the Notes will carry an interest rate of 3.75% per annum with a coupon amount of £157.80 per £100,000 Note and £1,577.97 per £100,000 Note payable on 17th August, 1993.

Bankers Trust Company, London Agent Bank



## BANK OF GREECE

US\$200,000,000

Issued on 15th May 1993

Floating rate notes 1998

The notes will bear interest at 4% per annum for the period 21 May 1993 to 23 August 1993. Interest payable on 23 August 1993 per US\$1,000,000 note will amount to US\$10,444.44.

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BACOB Savings Bank s.c.

(Incorporated in Belgium as a co-operative limited liability company)

In accordance with the provisions of the Notes, notice is hereby given that the Rate of Interest for the three month period ending 18th August, 1993 has been fixed at 3.375% per annum. The interest accruing for such three month period will be U.S. \$86.25 per U.S. \$100,000 Note and U.S. \$862.50 per U.S. \$100,000 Note against presentation of Coupon Number 7.

Union Bank of Switzerland  
London Branch Agent Bank

14th May, 1993

## NOTICE

to the holders of the outstanding ECU 140,000,000 3/4 per cent. Guaranteed Subordinated Convertible Bonds due 2002 (the "Bonds")

of

BCP Bank & Trust Company (Cayman) Limited

guaranteed on a subordinated basis by

Banco Comercial Portugues S.A.

(the "Guarantor")

NOTICE IS HEREBY GIVEN to the holders of the Bonds that, as a result of the issue by the Guarantor on 21st May, 1993 of 18,281,000 shares of the Guarantor by way of capitalization of reserves, the Conversion Price of the Bonds will pursuant to the provisions of the Trust Deed constituting the Bonds, be adjusted from Escudos 2,300 per share to Escudos 1,916 per share with effect from 21st May, 1993.

21st May, 1993

BCP Bank & Trust Company (Cayman) Limited



## News Corp \$3bn credit facility complete

By Nikki Tait  
in New York

MR RUPERT Murdoch's News Corporation announced yesterday that it had completed arrangements for a revolving credit facility amounting to \$3bn.

The facility is being provided by a 27-member banking group, and will permit borrowings in US dollars, Australian dollars and sterling.

It has a final maturity date of June 1999 and, according to News Corporation, the facility will cut the company's bank borrowing rates by 75 basis points.

The proceeds from the new facility will be used to repay News Corp's outstanding borrowings under a \$2bn "revolver" facility - set up in early 1991, with 146 lending banks - and a \$901m stand-alone facility for HarperCollins.

The \$3bn refinancing represents a further big step in the restructuring of News Corp's debt. In late 1990, it was facing severe financial problems with debts of more than \$7.6bn.

The company held lengthy negotiations with international banks and after months of talks, it was agreed that about \$7.6bn of debt would be restructured over three years.

## TCI to buy 49% of Televisa cable offshoot

By Damian Fraser  
in Mexico City

TELECOMMUNICATIONS (TCI), the world's largest cable television operator, has agreed to buy 49 per cent of Cablevisión, the cable subsidiary of Mexico's giant media company Grupo Televisa.

As part of the deal, TCI and Televisa will set up a joint venture to develop cable and pay television in Latin America, including Brazil, the region's largest television market.

The new company will benefit from TCI's advanced pay television technology and expand by forming joint ventures with or buying up existing Latin American cable companies, or starting new ones from scratch, Televisa said.

Mr Fernando Diez Barrosa, Televisa's vice-chairman, said: "Together, Grupo Televisa and TCI will build the Spanish and Portuguese-speaking world's ultimate pay television system for information and entertainment. We will deliver limitless product options on-demand into the living rooms of over 350m consumers where the growth of cable and pay television will be explosive."

Cablevisión says it is the largest pay television company

in Mexico, although its main rival, Multivisión, also claims this title. Last year, Cablevisión had 193,000 subscribers, with revenues of nearly \$80m, up 40 per cent on 1991.

Televisa is the biggest and most powerful media company in the Spanish-speaking world with revenues last year of \$1.36bn. It has a near-monopoly in Mexico and stakes in television stations in the US, through Univision, the Spanish-speaking network, in Peru and Chile, and production agreements in Venezuela and Argentina.

However, its dominance in Mexico will come under threat next month when the government privatises two state-owned channels. The favoured bidding group for the state channels includes the owner of Multivisión.

In the US, TCI serves 10.2m customers in 49 states. It also has investments in nine countries - including the UK franchise, Tele-West, in partnership with US West. The Denver-based company has more than 1m international subscribers, and other international joint venture arrangements have taken it into Israel, Sweden, Norway and New Zealand.

## Parametric looks to Asia for expansion

By Andrew Baxter

PARAMETRIC TECHNOLOGY, one of the fastest-growing high-technology companies in the US, has begun a big expansion into Asia to tap the market for its mechanical Cadcam (computer-aided design and manufacturing) software.

The Massachusetts-based Parametric, founded in 1985 and valued at about \$1bn on Wall Street, has been rapidly developing its operations in Europe over the past two years. But in recent months it has stepped up its Asian presence, opening direct sales offices to complement existing distribution arrangements.

Mr Louis Volpe, vice-president for marketing and operations, said in London that Parametric wanted to achieve a broad balance between its US, European and Asian sales over the next 10 years.

With turnover doubling in the US each year, this would imply even faster growth in Europe and Asia.

Parametric sees Japan as its biggest market in Asia. Along with other Cadcam vendors, it is keen to exploit the Japanese move from two-dimensional to three-dimensional mechanical design, which is occurring rather later than in Europe and the US.

But Mr Volpe said Chinese companies had expressed much interest in its products. It had also just received the largest-ever Cadcam order from an Indian company, Tata Engineering and Locomotive.

In Europe, Parametric is targeting electronics packaging and automotive companies. It is hoping to use its new Pro/Diasec software for complex body-panels as a way into the European automotive market.

Parametric's sales surged from \$11m in 1989 to \$86.7m last year due to the popularity of its Pro/Engineer family of software products and their applicability to a number of different workstations.

Net earnings over the same period rose from \$2.24m to \$21.1m. The company said in April its second-quarter earnings rose 108 per cent to \$8.8m.

## Fiat tightens grip on Italian market

By Haig Simonian in Milan

THE PURCHASE of the outstanding 51 per cent of Maserati for \$15.8bn (\$11.3m) has allowed Fiat, Italy's leading private company, to tighten its hold over the domestic car industry.

Fiat bought 49 per cent of Modena-based Maserati, best known for its expensive sports saloons, in 1989. The acquisition included 51 per cent of Innocenti, the Maserati-owned maker of compact cars.

The agreement to buy out the remaining shares in Maserati follows the illness and death of Mr Alessandro De Tommaso, whose family controlled the company via the New York-listed De Tommaso Industries concern. Mr De

Tommaso's continuing ill-health prompted the decision to sell out.

Maserati made about 1,000 cars last year, well down on its pre-recession output of between 1,500 and 1,800 units a year. The company has been badly hit by the slowdown in sales and is believed to have suffered rising losses in 1992. Sales are divided almost equally between Italy and foreign markets, notably Germany, France and Switzerland.

The seemingly high price for Maserati in view of its financial performance may be explained by the inclusion in the deal of the company's former Lambrate plant on the eastern fringe of Milan. Production at Lambrate ceased recently and Fiat is expected to

redevelop the site as a big new shopping centre.

Fiat said the acquisition would not trigger any change in Maserati's identity nor closer contacts with Ferrari, the prestige Fiat-owned sports car maker also located near Modena.

Fiat's original investment in Maserati was expected to give it a new lease of life, but despite some limited financing, the investment had few obvious benefits for Maserati. That may be explained by the fact that the stake was purchased in the same year as Fiat failed in its bid to take over Saab of Sweden and may have reflected a broader strategy of developing synergies between Fiat's Lancia and Saab and Maserati.

By contrast, Fiat has had some success in developing Innocenti, which no longer produces cars, as an additional brand for vehicles from its foreign factories. Innocenti's Elba model is actually the station wagon version of Fiat's Uno model made in Brazil.

GFT, the troubled Tortona clothing and textiles group, said talks on selling a substantial stake to Miroglio, another privately-owned clothing concern, had been broken off by mutual agreement.

The two companies said negotiations between them and with outside partners had revealed "considerable differences in the interpretation of ways of looking at methods of operation in the market".

## Molson suffers downturn

By Robert Gibbons in Montreal

MOLSON, the Canadian brewing and retailing group, says that strength in its brewing and overseas special chemicals operations were more than offset by difficulties in retailing and other problems in North America in the year ended March 31.

The company reported a fall in net profits to C\$113.7m (US\$89.3m), or C\$1.90 a share, for the year compared with C\$126.2m, or C\$2.25, in fiscal 1992.

Sales and other revenues rose by 6 per cent to C\$3.1bn, from C\$2.9bn.

Including a special gain of C\$1.5m after tax from the sale by Molson of 20 per cent of a brewing subsidiary to Miller Brewing of the US, total profit for the latest year was

C\$164.7m, equal to C\$2.76 a share.

Mr Marshall Cohen, president, said that conditions were difficult in some markets and management is taking corrective steps. Molson's brewing profits rose 3.8 per cent to C\$167.6m.

The recession and a poor summer season were offset by higher prices and more efficient production.

Molson Breweries is now 40 per cent owned by Molson, 40 per cent by Foster's of Australia and 20 per cent by Miller.

The link with Miller would raise sales of Molson brands significantly in the US, said Mr Cohen.

Operating profits from Diversar, Molson's special chemicals business, rose 59 per cent, but its North American operations were affected by the recession

and problems with absorbing an acquisition.

Diversar's sales were flat at C\$1.3bn and operating profits fell 9 per cent to C\$70m but US operations are being rationalised and European marketing strengthened, said Mr Cohen.

Hardware retailing was restructured and took a special C\$8m charge.

Molson's new Aikenhead warehouse store subsidiary reported a C\$9.9m operating loss, but should be profitable this year.

It plans 28 stores in Ontario and western Canada by fiscal 1998. Aikenhead is Molson's answer to the invasion of the Canadian market by Home Depot of the US.

The sports and entertainment activities recorded a fall in operating profits to C\$2.9m from C\$3.5m.

## US airline widens talks in Europe

By Nikki Tait

MR BOB CRANDALL, chairman of American Airlines, says the US carrier has held talks over possible partnerships with a number of European carriers, including Lufthansa, British Midland, Air France, SAS, and KLM Royal Dutch Airlines.

Speaking after his company's annual meeting in Texas, Mr Crandall said: "We haven't been able to structure a deal that makes sense for us and a European partner." However, he said talks were continuing although he did not specify which carriers these involved.

Although talks in the past had covered equity investments, discussions under way now were more about marketing relationships, he said.

## Greek telecoms group ahead

By Kerin Hope in Athens

INTRACOM, the Greek telecommunications equipment manufacturer in which Ericsson of Sweden holds a 12 per cent stake, increased net earnings by 4.4 per cent to Dr6.6bn (\$30m) for 1992 after delays in signing contracts held up production.

Sales rose by 11.2 per cent to Dr33.5bn. They were led by the company's expansion into eastern Europe with the launch of a computerised lottery game in Russia.

Exports amounted to 16 per cent of sales in 1992, compared with 7 per cent in the previous year.

Olympic Lotto, a \$15m joint venture between Intracom and the Russian Olympic Committee, uses hardware and software designed in Greece.

Intracom has also signed contracts with the governments of Ukraine, Bulgaria, Romania and Moldova to set up similar lottery games.

The company also exports specialised software, both for Ericsson's digital switching systems and the GSM mobile telephone system, as well as equipment for IBM personal computers manufactured in Europe.

The company forecasts that turnover will rise to Dr9bn this year following the award

of a Dr50bn contract to modernise the Athens telephone network after several months' delay.

The turnkey project for OTE, the state-owned telecommunications operator, will be partly funded by the European Community.

Intracom is also participating in one of two international consortia setting up competitive mobile telephone networks in Greece. Both networks are due to start operating later this year.

The company projects that investment this year will reach Dr7.5bn, focusing on further automation and improving quality control.

## INVESTOR AB

### FIRST QUARTER REPORT 1993

#### INVESTOR GROUP

Investor's net worth rose during the period by 2% to SEK 33,226 millinn (December 31, 1992: SEK 32,415 m.) or SEK 183 (178) per share after full conversion.

The Group reported a consolidated loss after financial items of SEK 542 m., against year-earlier income of SEK 1,148 m.

#### STRATEGIC PORTFOLIO

The value of Investor's portfolio of strategic holdings on March 31 amounted to SEK 23,181 (23,238) m., in principle unchanged from year-end 1992. The Affärsvärlden General Index rose during the period by 9%. On May 14 the market value of the portfolio was SEK 25,872 m.

On March 31 the largest holdings were in Astra, which accounted for 34% of the value of the portfolio, STORA 15%, Incentive 15% and ASEA 13%. The six largest holdings together represented 92% of the portfolio.

#### SAAB-SCANIA HOLDINGS

Consolidated sales of the Saab-Scania Holdings Group amounted to SEK 6,200 (6,800) m. Order bookings amounted to SEK 5,900 (5,800) m. The order backlog at the end of the period was SEK 30,900 (19,100) m.

The income after financial items of the business areas amounted to SEK 266 (499) m. The Group reported a consolidated loss after financial items of SEK 92 m., against income of SEK 211 m. in the corresponding period of 1992.

Demand for Saab-Scania's principle products is expected to remain weak, because of which it is anticipated that Saab-Scania Holdings will report a loss after financial items for 1993.

This is a summary of Investor's first quarter report 1993. The complete report can be obtained from Investor AB, S-103 32 Stockholm, Sweden, telephone +46-8-614 20 00.

THE AGRICULTURAL MORTGAGE CORPORATION PLC  
NOTICE  
to the holders of the outstanding  
£150,000,000 11 1/2 per cent. Notes 1994  
of  
THE AGRICULTURAL MORTGAGE CORPORATION PLC  
(the "Noteholders", the "Notes" and the "Issuer" respectively)

Notice is hereby given that the Meeting of the Noteholders convened by the Issuer for Wednesday, 28th April, 1993 by the Notice published in the Financial Times on 2nd April, 1993 (the "Original Notice") was adjourned through lack of a quorum and that such adjourned Meeting of the Noteholders convened by the Issuer will be held at the offices of Lloyds Bank Plc, 55 Abchurch Lane, London EC4N 3JF on Monday 7th June, 1993 at 10.30 a.m. (London time) for the purpose of considering and, if thought fit, passing the following Resolution which will be proposed as an Extraordinary Resolution in accordance with the provisions of the Trust Deed (the "Trust Deed") dated 30th August, 1989 (as modified) made between the Issuer and The Law Debenture Trust Corporation p.l.c. (the "Trustee") as trustee for the Noteholders.

**EXTRAORDINARY RESOLUTION**

"That this Meeting of the holders of the outstanding £150,000,000 11 1/2 per cent. Notes 1994 (the "Notes") of The Agricultural Mortgage Corporation PLC (the "Issuer") convened by the Trust Deed dated 30th August, 1989 made between the Issuer and The Law Debenture Trust Corporation p.l.c. (the "Trustee") as trustee for the holders of the Notes (the "Noteholders") hereby:-

- (1) determines that completion of the purchase by Lloyds Bank Plc of all the issued share capital of the Issuer not previously owned by it shall not be treated as an Event of Default for the purposes of Condition 9 of the Terms and Conditions of the Notes as printed on the reverse of them and in the First Schedule to the said Trust Deed (the "Conditions"), cancels the right of the Noteholders which has arisen under paragraph (viii) of Condition 9 to request the Trustee in writing or to direct the Trustee by Extraordinary Resolution to give notice to the Issuer that the Notes are immediately due and repayable by reason of such purchase by Lloyds Bank Plc and waives the modification thereof by the deletion of paragraph (viii) of Condition 9 and the reference to that paragraph in the provisions of the Trust Deed (the "Trust Deed") dated 30th August, 1989 (as modified) made between the Issuer and The Law Debenture Trust Corporation p.l.c. (the "Trustee") as trustee for the Noteholders;
- (2) sanctions every abrogation, modification, compromise or arrangement in respect of the rights of the Noteholders against the Issuer involved in or resulting from the determination, cancellation and modification referred to in paragraph (1) of this Resolution;
- (3) sanctions the proposal of the Issuer that the Noteholders or any of them may at their option, by depositing with any Paying Agent (as defined in the Conditions) the relevant Note or Notes, together with (i) all Coupons relating thereto which mature after the date fixed for purchase as specified below and (ii) a duly completed Purchase Notice in the form obtainable from any of the Paying Agents (which notice shall be irrevocable) at any time following the passing of this Resolution, require the Issuer to purchase all or any of their Notes on the business day (as defined in Condition 6) specified by the Noteholder in the Purchase Notice and falling not less than 10 days after the date of the deposit of the relevant Note or Notes at a price equal to the aggregate of 100 per cent of their principal amount and an amount equal to interest accrued to that date, all in accordance with the Second Supplemental Trust Deed referred to in paragraph (4) of this Resolution; and
- (4) authorises and requests the Trustee to execute in the determination, cancellation and modification referred to in paragraph (1) of this Resolution and the proposal referred to in paragraph (3) of this Resolution and, in order to give effect to this Resolution, forthwith to execute a Second Supplemental Trust Deed in the form of the draft produced to the Meeting and for the purposes of identification signed by the Chairman of it with such amendments (if any) to it as the Trustee shall require or approve."

Details of the background to, and the reasons for, the proposed Extraordinary Resolution are set out in the Original Notice.

The attention of Noteholders is particularly drawn to the quorum required for the adjourned Meeting which is set out in paragraph 2 of "Voting and Quorum" below.

Copies of the Trust Deed (including the Terms and Conditions of the Notes), the draft Second Supplemental Trust Deed referred to in the Extraordinary Resolution set out above and the Original Notice will be available for inspection by Noteholders during normal business hours at the specified offices of the Paying Agents set out below.

In accordance with normal practice, the Trustee expresses no opinion on the merits of the proposed determination, cancellation and modification or on the put option scheme, the principles of which it has had no part in formulating, but has authorised it to be stated that, on the basis of the information set out herein and in the Original Notice, it has no objection to the Extraordinary Resolution being submitted to the Noteholders for their consideration.

**VOTING AND QUORUM**

1. A Noteholder wishing to attend and vote at the adjourned Meeting in person must produce at such Meeting either the Note(s) of which he is the holder or the voting certificate(s) issued by a Paying Agent relating to the Note(s) in respect of which he wishes to vote.
- A Noteholder not wishing to attend and vote at the adjourned Meeting in person may either deliver his Note(s) or voting certificate(s) to the person whom he wishes to attend on his behalf or instruct a Paying Agent to appoint a proxy to attend and vote at such Meeting in accordance with his instructions.
- Notes may be deposited with any Paying Agents or held in their order by Euroclear or Cedei for the purpose of obtaining voting certificates or appointing proxies in respect of the adjourned Meeting until the time being 48 hours before the time fixed for the adjourned Meeting (or, if applicable, any further adjourned such Meeting), but not thereafter. Notes so deposited or held for the purpose of obtaining a voting certificate will not be released until the first to occur of (a) the conclusion of the adjourned Meeting (or, if applicable, any further adjourned such Meeting) and the surrender of the voting certificate to the Paying Agent who issued the same. Notes so deposited or held for the purpose of instructing a Paying Agent to appoint a proxy will not be released until the first to occur of (a) the conclusion of the adjourned Meeting or any further adjourned such Meeting or any poll taken on any resolution proposed thereat (whichever is the later), and (b) the surrender to such Paying Agent (not less than 48 hours before the time for which the adjourned Meeting or any further adjourned such Meeting is convened or poll called) of the receipt issued by such Paying Agent in respect of each such deposited Note which is to be released and the giving of notice by such Paying Agent to the Issuer of the necessary amendment to the voting instructions.
- Any voting certificate(s) issued, any voting instruction(s) given and any appointment(s) of a proxy made pursuant thereto for the Meeting of Noteholders convened for 28th April, 1993 will be valid for the adjourned Meeting unless, in the case of voting certificates, such voting certificates are surrendered before, or in the case of voting instructions, such voting instructions are revoked or amended not less than 48 hours before, the time for which the adjourned Meeting is convened.
- Any Noteholder who, for the purpose of obtaining a voting instruction form or voting certificate, deposited his Note with any Paying Agent or (to the satisfaction of such Paying Agent) gave instructions to Cedei or Euroclear or another bank or depository approved by the Trustee for his Note to be held to the order of such Paying Agent, later than 48 hours before the time appointed for holding the first Meeting and who consequently was not issued with a voting instruction form or voting certificate will, provided such Note has not been released, be issued with a voting instruction form or as the case may be, voting certificate for use in connection with the adjourned Meeting.
- The quorum required at the adjourned Meeting is two or more persons holding Notes or voting certificates or being proxies whatever the principal amount of the Notes so held or represented.
- Every question submitted to the adjourned Meeting shall be decided by a show of hands unless a poll is duly demanded by the Chairman of such Meeting or by one or more persons present holding Notes or voting certificates or being proxies and holding or representing in the aggregate not less than one-tenth of the principal amount of the Notes then outstanding. On a show of hands every person who is present in person and produces a Note or voting certificate or is a proxy shall have one vote. On a poll every person who is so present shall have one vote in respect of each £1,000 of Notes so produced or represented by the voting certificate so produced or in respect of which he is a proxy.
- To be passed the Extraordinary Resolution requires a majority in favour consisting of not less than three-quarters of the votes cast thereon. If passed, the Extraordinary Resolution will be binding upon all the Noteholders whether present or not at the adjourned Meeting and upon all the holders of the interest coupons appertaining to the Notes.

**PRINCIPAL PAYING AGENT**  
Banque Paribas Luxembourg  
10A boulevard Royal  
Luxembourg

**PAYING AGENTS**

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3 rue d'Antin  
75002 Paris

Swiss Bank Corporation  
Aeschenvorstadt 1  
CH-4002 Basle.

THE AGRICULTURAL MORTGAGE CORPORATION PLC  
21st May, 1993



## INTERNATIONAL COMPANIES AND FINANCE

## Sharp contrast in Australian bank results

By Bruce Jacques in Sydney

WESTPAC Banking Corporation and National Australia Bank, the largest Australian banking groups, yesterday revealed widely contrasting financial performances for the six months to March.

The National consolidated its position as the country's most successful major bank with a 25 per cent rise in net earnings, after extraordinary items, to A\$507.3m (US\$362.3), an interim dividend increase from 22 cents to 24 cents a share, and a 5 per cent fall in bad and doubtful debt charges to A\$82.1m.

In contrast, Westpac reported a A\$204.6m loss, a halved interim dividend of 6 cents a share, large new bad and doubtful debt write-offs of almost A\$600m, and plans to raise a further A\$500m in converting preference shares to top up its capital adequacy ratios.

Although still in the red, the latest Westpac result was far better than the previous corresponding half, when the bank's property and other problems first surfaced with a A\$2.7bn bad and doubtful debt write-off, causing a A\$1.7bn net loss.

Property problems again bit hard into the latest Westpac result. Non-property write-offs were reduced to a manageable A\$275m, but revaluations of problem property assets caused

## NZ unit matches expectations

BANK of New Zealand yesterday announced an unaudited operating tax-paid profit of NZ\$134.6m (US\$74.8m) for the year to March 31, which the new owners, National Bank of Australia, said was in line with expectations.

The result is not comparable with last year's profit of NZ\$172m as NAB changed the company's accounting policies in November when it bought the bank for NZ\$1.45bn. It said then that the changes were being made to reflect its own

a further A\$525m in bad debt charges. The Westpac result was also hit by abnormal losses of A\$178.3m (A\$266.6m previously), including a A\$137m charge for restructuring expenses.

The managing director of Westpac, Mr Robert Joss, pointed yesterday to progress achieved by the bank towards recovery targets. He said operating expenses had been reduced markedly and the company's earnings before

write-offs and tax had risen from A\$686.7m to A\$728.1m in the half. This reflected improved performance in the bank's Australian, New Zealand, US and

European operations and a return to profits by the troubled finance offshoot, Australian Guarantee Corporation. "The group's results will be largely influenced by the successful completion of restructuring now in process to reduce operating expenses and the effect of reducing low-performing corporate assets, mainly offshore," Mr Joss said. "The adverse impact of non-performing loans has been diminishing."

Westpac's gross problem loan portfolio eased from A\$9.72bn to A\$8.57bn in the half. In contrast, the National's problem loans, although not strictly comparable because of

accounting and provisioning policies. This led to an abnormal item of NZ\$77.2m after tax. If the abnormal item is included, BNZ made a loss of NZ\$151.3m.

The managing director, Mr Bob Prowse, said the results reflected reduced income from treasury-related activities such as securities and foreign exchange trading, where the bank was adopting a more cautious approach. He said trading margins had tightened significantly during late 1992 and early 1993.

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John Uhrig: announced resignation from board

differing accounting practices, grew from A\$4.25bn to A\$5.31bn.

The National's result reflected higher earnings from its Australian, UK and Irish banks and a bigger contribution from New Zealand following the takeover of Bank of New Zealand (BNZ) late last year. UK and Irish banks lifted their combined contribution from A\$83.9m to A\$132.5m.

The Clydesdale Bank lifted its net contribution from A\$37.7m to A\$65.8m. Northern Bank was up from A\$23.8m to A\$32.6m. Yorkshire Bank rose from A\$45.8m to A\$89m. National Irish lifted from A\$5.9m to A\$9.5m, but NAB (UK) increased its loss from

A\$12.4m to A\$16m. The managing director of the National, Mr Don Argus, said the latest result had been achieved without any significant downturn in economies where the bank operates. He said profit before tax and provisions had risen by 10.3 per cent to A\$124m.

Gains were generated through increased productivity, successful cost containment, improved credit management and by the development of successful new banking products targeted at key segments of the market," Mr Argus said. The National's total capital adequacy ratio was reduced from 11.7 to a still-comfortable 10.8 per cent in the half, against the required Reserve Bank minimum of 8 per cent. Westpac's corresponding ratio rose from a shaky 8.4 per cent to 10 per cent.

Westpac directors yesterday approved a request by the bank's newest major shareholder, Lend Lease Corporation, to lift its Westpac stake to 15 per cent. They also invited two Lend Lease executives, Mr Stuart Horner and Mr John Morschel, to join the Westpac board.

Meanwhile, the chairman of Westpac, Mr John Uhrig, announced he would resign from the board of the bank's existing 15 per cent shareholder, the AMP Society.

## Singapore industrial group falls slightly

By Kieran Cooke in Kuala Lumpur

CYCLE & Carriage (C&C), the Singapore-based food, property and motor distribution group, has announced net profits for the six months to March 31 of S\$38.44m (US\$23.5m), a

## NEWS IN BRIEF

drop of 0.6 per cent on the equivalent period last year. Group turnover, at S\$836.1m, was 4.5 per cent up on last year.

Late last year, the Jardine group of Hong Kong bought a 16 per cent stake in C&C for S\$315.5m. The stake had previously been owned by the Kuwait Investment Office.

Jardine has announced that Mr Boon Yoon Chiang, chairman of Jardine Matheson (Singapore), will take over as C&C's managing director.

Toppan Printing, Japan's second-largest printing company, yesterday reported a 20 per cent fall in unconsolidated pre-tax profits for the year to March 31 from the previous fiscal year. AP-DJ reports from Tokyo.

Pre-tax profits were Y\$1.6bn (A\$4.9m) against Y\$4.6bn, while net profits fell to Y\$7.3bn from Y\$4.0bn. Sales were down just under 6 per cent to Y\$42.6bn. The dividend is unchanged at Y10.

Snow Brand Milk Products, the largest manufacturer of dairy products in Japan, said yesterday its unconsolidated, or parent-only, pre-tax profit fell 3.8 per cent in the year to March 31 from the year earlier, AP-DJ reports from Tokyo.

Pre-tax profit fell to Y15.2bn from Y15.8bn, although net profit was down only 0.5 per cent to Y6.79bn against Y6.83bn the previous year. Meanwhile, Meiji Milk Products, Japan's second-largest producer of dairy foods, reported unconsolidated pre-tax profits down 5.1 per cent during the year to March 31.

## Reduced domestic demand squeezes margins at Toray

By Robert Thomson in Tokyo

TORAY Industries, the leading Japanese maker of synthetic fibres, reported a 6.6 per cent fall, to Y48.2bn (A\$42.3m), in pre-tax profit for the year to end-March. The result reflects reduced domestic demand, which led to increased price competition and smaller margins in most sectors.

Sales for the year were down 3.2 per cent to Y560bn, with a 6.8 per cent decline in fibres and textiles and a 6.5 per cent fall in plastics and chemicals. However, new products and other businesses, including materials used in sporting goods and pharmaceuticals, surged 20.6 per cent.

Sluggish demand for consumer electronics in Japan was partly responsible for the fall in plastics and chemicals sales, while intensified competition in the polyester film market reduced the company's overseas margins.

Consolidated sales slipped a marginal 0.6 per cent to Y970.5bn, while net profit was down 3.1 per cent, as demand

in east Asia for industrial materials remained relatively strong. For the current year, the parent is expecting a slight increase in sales to Y560bn, but pre-tax profit at around the same level as last year's Y48bn.

Mitsui Toatsu Chemicals reported a 58 per cent plunge in pre-tax profits to Y6.3bn, which it blamed on weaker sales of synthetic resins and plastics to the car and electronics industries, and increased depreciation charges. Sales were down 6.4 per cent to Y355bn.

Mitsui Toatsu plans to halve its dividend to Y3 and forecast another 20 per cent fall in profits to Y5bn this year on sales of about Y390bn.

Mitsubishi Petrochemical experienced a steep 72.7 per cent fall in pre-tax profit to Y8.3bn, as prices weakened for core products such as ethylene. While sales volume remained flat, sales value was down 8.5 per cent to Y372.1bn, and is expected to remain at the same level this year. Pre-tax profit is forecast to slip to Y4bn.

ONO Pharmaceutical, a medium-sized Japanese drug maker, announced a 21.2 per cent increase, to Y36.3bn (A\$32.0m), in pre-tax profits for the year to March. It attributed the rise to sales of new drugs. Net profits rose 15.5 per cent to Y15.5bn.

Sales grew 19.9 per cent to Y85.1bn as a result of solid sales of Kinadex, its remedy for diabetes, and Vega, its anti-asthmatic compound. The company is to raise dividends by Y6 to Y20 per share for the last fiscal year in tandem with the increase in profits and sales.

The Osaka-based company expects pre-tax profits to climb 3.2 per cent to Y37.5bn for the current financial year, on sales of Y101bn, up 6.1 per cent, and net profits are forecast to rise to Y16.5bn, up 5.8 per cent.

Taisho Pharmaceutical said pre-tax profits rose 1 per cent to Y54.3bn last year. Net profits increased 1.5 per cent to Y28.5bn. Sales increased 7.3 per cent to Y204bn against the last fiscal year, on steady sales of antibiotic and new tonic drugs.

The company estimates a decline in pre-tax profits for the current financial year, to Y24.4bn, down 3.5 per cent due to a projected softening of the tonic drink market. Net profits are expected at Y26.5bn, down 6.6 per cent, on sales of Y268bn, up 1.9 per cent on the year.

## BAT Indian affiliate bucks profit trend

By R C Murthy in Bombay and Kunal Bose in Calcutta

ITC, India's largest tobacco company and an affiliate of BAT Industries of the UK, yesterday reported a rise in net profits to Rs1.55bn (US\$50m) for the 12 months to March, up from Rs1.15bn the year before, bucking the country's general trend of falling profits.

Sales rose by a quarter, to Rs35.09bn, mostly due to strong growth in the tobacco business. After provisions, net profits rose by more than a third to Rs1.55bn.

Earnings per share rose to Rs3.71 from Rs2.87, reversing the fall in the previous year.

## Foster's signs second Chinese brewing deal

By Tony Walker in Beijing

FOSTER'S has signed a second joint brewing venture deal in China as part of its push into the fast-growing Chinese beer market.

The Australian brewer's subsidiary, Carlton and United Breweries, signed a US\$7m agreement with the state-owned Princess Brewery in Guangdong province, south China.

Foster's executives expect to invest about US\$140m by the end of this century in a network of breweries in China.

The Guangdong brewery, at Doumen near the Portuguese enclave of Macao, will be

upgraded, and a second brewery built later. Carlton and United Breweries expects to be producing 300m litres a year at the Princess Brewery within five years, compared with present production of 35m litres.

On Tuesday, CUB agreed a joint venture with the Huanggang brewery, one of Shanghai's leading brewers. It expects to sign a further agreement soon with a brewer in northern China, and anticipates that within five years it will be producing more beer in China than in Australia.

Foster's expects China to displace the US as the world's biggest beer market by the end of the century.

## Asset sales boost profit at NZ lingerie maker

By Terry Hall in Wellington

CERAMCO, the biggest lingerie maker in Australasia, yesterday announced operating profits after tax for the year to March 31 up from NZ\$18.7m (US\$9.3m) to NZ\$19.3m. Total profits for the year, after an extraordinary profit of NZ\$7m, were up 61 per cent to NZ\$28.3m from NZ\$16.6m.

Directors said they expected continuing improvements in earnings and in the group's financial position. The results include trading profits of NZ\$851,000 from the sale of two subsidiaries outside of its key interests of clothing and exporting china clays.

Directors said both these activities were well placed in the international market with high cash-flows and export growth potential.

During the year, Ceramco sold its interests in Steel and Tube Holdings, realising NZ\$32.5m, a surplus of NZ\$5.7m over the written-down book value. It also eliminated all debt from the balance sheet and had NZ\$4.5m in cash on deposit at the year's end.

It had also repaid to shareholders half the company's paid-up capital, or NZ\$24.2m, and cancelled 48.4m shares. Operating revenue was NZ\$163m, compared with NZ\$133m.

## FINMECCANICA

Società per azioni

## Ordinary and Extraordinary General Meeting of Shareholders held on May 6, 1993

The Annual General Meeting and the Extraordinary Meeting of the Shareholders of Finmeccanica Società per azioni were held in Rome on May 6, 1993. The Ordinary General Meeting approved the Company's financial statements for the year ended December 31, 1992.

The Finmeccanica Group's consolidated profit, including minority interests in consolidated subsidiaries, amounted to Lit/bn 186.4. The corresponding amount realized in 1991, before the extraordinary loss pursuant to the EEC claim, was Lit/bn 168.6.

The net consolidated profit, including the effect of the merger of Alenia, Ansaldo and Elsas Bailey into Finmeccanica set up on March 20, 1993, is Lit/bn 182.9 (Lit/bn 126.3 in 1991).

Revenues amounted to Lit/bn 11,078 (Lit/bn 10,966 in 1991) of which some 40% (Lit/bn 4,400) abroad.

Backlog amounted to Lit/bn 22,300 (Lit/bn 21,200 in 1991) as result of new orders acquired during the year for Lit/bn 12,000 (Lit/bn 10,318 in 1991).

As at December 31, 1992 the Group companies employed 51,503 units.

The Finmeccanica-Società per azioni net profit as at December 31, 1992 was Lit/bn 102.3; the corresponding amount realized by Società Immobiliare e Finanziaria - SIFA p.a. (the company's name before the merger of Finmeccanica-Società Finanziaria p.a.) in 1991 was Lit/bn 30.9.

The dividends of Lit. 140 per ordinary share and of Lit. 180 per saving share, as approved by the General Meeting will be paid starting from May 17, 1993. The year end profit of some Lit/bn 51, after appropriation to dividends, was transferred to retained earnings.

The Shareholders' Meeting confirmed, furthermore, Mr. Pietro CIUCCI as member of the Board of Directors and approved the appointment of Mr. Leone PONTECORVO as member of the Board of Statutory Auditors, in replacement of Mr. Aldo SORCI who resigned from the position.

The Extraordinary Meeting approved the setting up of the following secondary locations: Alenia: Naples - Capodichino, Centro Addestramento Renato Boicaffio; Ansaldo: Genova - 2, Piazza Carignano; Elsas Bailey: Genova - 2, Via G. Puccini. The art. 2 of the Articles of Association was accordingly modified.

**Payment of Dividend for the fiscal year ended December 31, 1992**

Notice is hereby given to all Shareholders that, according to art. 9.2 and 22 of CONSOB resolution n. 5553 dated November 14, 1991, dividends relevant to the 1992 fiscal year will be in payment effective May 17, 1993, as deliberated at the Annual General Meeting of the Shareholders of May 6, 1993, on the basis of Lit. 180 (one hundred and eighty) per saving share and of Lit. 140 (one hundred and forty) per dividend-eligible ordinary share, gross of applicable legal withholdings.

The aforementioned dividends will be collectable, upon submission of the share certificates and detachment of Coupon n. 1 at the Finmeccanica cash department in Rome, 92, Viale Maresciallo Pilsudski and at the following authorised locations: Monte Titoli S.p.A. - for the self-administered shares; Banca Commerciale Italiana, Banca di Roma, Credito Italiano, Banca Nazionale del Lavoro, Monte dei Paschi di Siena, Istituto Bancario San Paolo di Torino, Banco di Napoli, Banco di Sicilia, Banca Nazionale dell'Agricoltura, Cassa di Risparmio delle Provincie Lombarde, Banco Ambrosiano Veneto, Cassa di Risparmio di Genova e Imperia.

**Notice to Finmeccanica Warrant Holders**

Notice is hereby given to all Finmeccanica warrant holders that, from the day following the dividends' detachment, i.e. May 18, 1993, the exercise petitions of the aforementioned warrants, temporarily suspended according to art. 2 of the applicable regulation, will become eligible for submission.

The Board of Directors  
Chief Executive Officer  
(Fabiano Fabiani)



To the Holders of  
SHEARSON LEHMAN CMO, INC.  
Series F, Class F-1 Floating Rate Bonds  
Due February 20, 2018

Pursuant to the Indenture dated as of February 1, 1985 between Shearson Lehman CMO, Inc. as Issuer and Texas Commerce Bank as Trustee, notice is hereby given that the interest rate applicable to the above Bonds for the interest period May 20, 1993 through August 19, 1993 as determined in accordance with the applicable provisions of the Indenture, is 3.8750% per annum. Amount of interest payable is \$31,625,597.93 per \$10,000 principal amount.

SHEARSON LEHMAN CMO, INC.

THE  
BUSINESS  
SECTION

appears every Tuesday & Saturday.  
To advertise please contact  
Karl Layton on 071-873 4780  
or write to him at  
The Financial Times  
One Southwark Bridge, London  
SE1 9HL.

Correction Notice  
ALLIANCE & LEICESTER  
Alliance & Leicester Building Society  
£150,000,000  
Floating Rate Notes due 1995  
In accordance with the provisions of the Notes, notice is hereby given that the Rate of Interest for the three month period ending 11th August, 1993 has been fixed at 6.1375% per annum. The interest accruing for such three month period will be £254.73 per £10,000 Bearer Note, and £1,547.30 per £100,000 Bearer Note, on 11th August, 1993 against presentation of Coupon No. 21.  
Union Bank of Switzerland  
London Branch Agent Bank  
11th May, 1993

To the Holders of  
Banco Central de Costa Rica  
US \$96,511,516 Series A Interest  
Claims Bonds Due May 21, 2005  
US \$76,438,329 Series A Interest  
Claims Bonds Due May 21, 2005  
NOTICE IS HEREBY GIVEN that the rate of interest from May 21, 1993 through and including August 22, 1993 is 4.0625% per annum. Interest coupon payable on August 22, 1993 will amount to \$227.74 per \$100,000 nominal face amount.  
By: BankAmerica Trust Company of New York  
as Fiscal Agent  
Dated: May 21, 1993

B1



INVITATION TO BID FOR THE PURCHASE  
OF COMPANY DIVISIONS IN THE TREAT-  
MENT OF STEEL WORKS FUMES AND IN THE  
ZINC OXIDES AND POWDERS SECTOR

NUOVA SAMIM S.p.A., a company with headquarters in Rome, at Piazza L. Cerva 7, with fully paid-in share capital of Italian lire 25,483,000,000, entered at the Rome court chancery registry of companies at no. 7461/92, intends to receive and screen bids for the sale, jointly or separately, to a single party of the following company division:

STEEL WORKS FUMES TREATMENT with production of zinc and lead oxides for thermal zinc production plants. NUOVA SAMIM is the Italian leader in this field and one of the most important companies in Europe, with turnover of more than Italian lire 20 billion.  
ZINC OXIDES AND POWDERS for the rubber, ceramics, and paint industries and animal feed, with a solid position on the Italian market and turnover of more than Italian lire 20 billion.

In the present transaction NUOVA SAMIM has engaged the services of COFILP (Compagnia Finanziaria Ligure Piemontese), which will provide interested companies with additional information on request. Inquiries may be addressed to Ms. Maurizio Villa or Mr. Marco Tramontin or Mr. Jean Marc Russenberger, Cofilp S.p.A., Via dei Giardini 4, 20121 Milan, Italy; Tel. +39/2/62571; Fax +39/2/6552208.

The present invitation for bids is being extended solely to companies with capital of no less than Italian lire 10 billion. Interested companies may make written request (fax accepted) to COFILP S.p.A. for a copy of the information memorandum concerning the business for sale.

The information memorandum will be sent to companies the legal representative of which has signed, authenticated and returned to COFILP S.p.A. no later than June 14, 1993, an agreement to maintain confidentiality, together with a copy of the financial statements for the last three years, a description of the business in which they are engaged, and the reasons for the present investment. Intermediaries of whatever kind must disclose the identity of any party they represent.

The present announcement is an invitation to bid but does not represent either a public offering or Art. 1336 of the Italian Civil Code or a solicitation to public saving ex Art. 1/18 of Italian Law 216/1974. Neither the present invitation nor the receipt of any offers by NUOVA SAMIM will create any obligation or commitment to sell to any bidder nor give any bidder any right to require any performance on the part of NUOVA SAMIM for any reason, including payment of brokerage fees or consulting costs.

The Italian text of the present invitation will have priority over any other version published in foreign languages in newspapers outside Italy. The present invitation and the sales procedure are subject to the laws of Italy.



Cheltenham & Gloucester  
Building Society  
£175,000,000  
Floating Rate Notes due 1996  
In accordance with the provisions of the Notes, notice is hereby given that the Rate of Interest for the three month period ending 11th August, 1993 has been fixed at 6.29063% per annum. The interest accruing for such three month period will be £258.56 per £10,000 Bearer Note, and £1,551.56 per £100,000 Bearer Note, on 11th August, 1993 against presentation of Coupon No. 3.  
Union Bank of Switzerland  
London Branch Agent Bank  
17th May, 1993

£200,000,000  
MFC Finance No.1 PLC  
NOTICE OF REDEMPTION  
Series 'A' to 'F' Mortgage Backed Floating Rate Notes  
Due October 2003  
Notice is hereby given, that in accordance with Conditions 5(c) of the Prospectus dated 13th October 1988, the Issuer intends to redeem £1,800,000 in aggregate value of the Notes on the respective June, 1993 interest payment dates.  
By: Citibank, N.A. (Issuer Services)  
May 21, 1993  
CITIBANK

مكتبات الصحف







## COMPANY NEWS: UK

# Pru helped by accruals accounting

By Norma Cohen,  
Investments Correspondent

PRUDENTIAL Corporation, Britain's largest life assurance company, yesterday reported that under the new proposed "accruals" basis of accounting for profits, its 1992 earnings rose 9 per cent to £807m.

The Pru had earlier reported profits for the same period using the so-called embedded value method of accounting, which is currently the industry standard.

That method however has been criticised by securities analysts as flawed because it does not recognise profits or losses from insurance policies until they mature. Under accruals accounting, profits are much more closely related to ongoing activities.

So far, the Pru is the only big UK insurer to have reported results on an accruals basis.

The Association of British Insurers, after a two-year study, had asked the industry to begin experimenting with the method. Earnings were somewhat lower than analysts

had anticipated, reflecting somewhat worse than expected continuous disability business in its M&G reinsurance arm. However, analysts noted that the effects of a reorganisation in Prudential's UK life assurance businesses, which has absorbed £180m in costs, has produced unexpected cost savings which will be reflected in the 1993 statutory profits.

Profits on new business rose 30 per cent to £226m, largely on sales of single premium products and the so-called prudence bond in particular. But profits on business in force fell sharply from £52m to £38m, partly reflecting reduced investment returns in Australia and Canada.

Meanwhile, it emerged that a leading shareholders group, Pensions Investment Research Council, has sharply criticised the Pru for failing to follow best practice in corporate governance. The Pru is one of the UK's largest shareholders and its chief executive, Mr Mick Newmarch, has been outspoken on matters of board behaviour.

# Brewers' heads down for prolonged in-fighting

Philip Rawstone on the effects of discounting, the latest weapon in the battle for market share

A WAR of attrition is being fought in the UK beer market: a series of sporadic, intensive, skirmishes between national brewers intent on gaining or defending market share.

None of the participants so far has gained much ground; all are beginning to show the cost of their efforts.

Bass, the UK's leading brewer, this week reported that it had advanced its market share by 0.2 percentage points in six months, while its profit margin had fallen from 9.7 per cent to 8.3 per cent.

The aggression is likely to continue for some time, as market conditions have rarely been better for winning share - or for losing it.

Government orders which forced the national brewers to free about 11,000 pubs - about 10 per cent of the total - from exclusive beer supplies have opened opportunities for competitors to move into outlets from which they were previously excluded.

The free trade will expand further. The proportion of beer sold through the brewers' tied pubs is forecast to decline from 44 per cent of the total in 1989 to about 20 per cent by the end of the decade.

At the same time, take-home trade volume - beer sold

through supermarkets and off-licences - is expected to grow from 18 per cent of the total market to 30 per cent.

Against a background in which total beer consumption is set to fall by about 5 per cent during the 1990s, largely because of demographic changes, the national brewers have been forced to sharpen their competitive edge.

With the loss of much of the assured, high-margin flow of sales through their own pubs, they must now battle to capture outlets controlled by new pub retailing companies and multiple grocers, by individual licensees and liquor stores.

The initial response to this prospect saw Courage seek to strengthen its position by acquiring Grand Metropolitan's breweries and beer brands; and Allied-Lyons merge its brewing operations with Carlsberg in Carlsberg-Tetley.

Like GrandMet, regional brewers Greenalls, Boddington and Devenish quit the industry to become retailers.

Since these dispositions, the struggle for market share has been fought with a variety of weapons: discounts, supply agreements, loan ties, and increased marketing.

aggressive price-cutter. As its outlets in the GrandMet and Intreprenuer pub estates are freed over the next four years, it may be left at a disadvantage with rivals who each retain several thousand pubs.

That prospect, says one analyst, has led to "erratic and sometimes frantic" discounting to gain a more secure position.

But, whoever may have started the latest campaign, discounting is, and has long been, a weapon in the armoury of all the other brewers - Allied, Bass, Whitbread and Scottish & Newcastle.

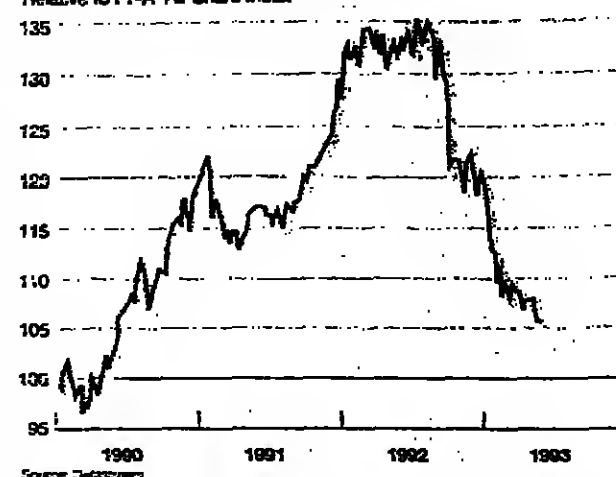
In the competition to supply some of the bigger pub companies - where increased volumes may compensate for lower prices - discounts have risen to about £20 a barrel, or about half the list price. The signs are that discounting, though on a lesser scale, is spreading to other areas of the free trade.

The key question is how far the brewers will be prepared to go, and for how long.

Mr Martin Hawkins, analyst at Nikko Securities, says: "It does not make commercial sense for the national brewers to have maintained a high level of capital investment in restructuring brewing and distribution operations if it is accepted that the overall

## FT-A Brewers & Distillers Index

Relative to FT-A All-Share Index



return will continue to diminish.

A committed volume-oriented strategy can ultimately only be successful through bankrupting the competition and running the risk of bankrupting oneself. It is in no one's interests to discount so aggressively for a protracted period that the major players go broke in the process."

Brewers, facing equal pressures on margins in the expanding take-home market, are well aware of the dangers.

Some of the pressure has been eased by cost benefits from the closure of breweries and other rationalisation measures. But there is still substantial over-capacity in the industry.

It would take the closure of another brewery by each of the nationals to remove it, says Mr Roy Moss, chairman of Carlsberg-Tetley.

It seems more likely that weaker regional brewers could be forced out of the industry first.

However, brewers are already finding that discounting alone is not enough to secure more volume.

It is significant that the price war so far has been confined to standard lagers and keg ales - and even there the better-known brands have had to concede less.

All the brewers' leading brands - Whitbread's Boddington and Stella Artois; Bass's Carling Black Label and Worthington; Allied's Tetley and Castlemaine - have increased volume without price cuts.

Such brand portfolios, backed by a supporting package that combines value for money, and quality of service including loans, long-term agreements, and promotional and business support, hold increasing attraction for retailers.

Provision of such packages does not come cheap: but free trade deals have cost Whitbread £37m. Allied's bad debt charges were £17m last year and Bass's provisions nearly doubled to £19m in its first half.

But the costs do not have quite the unnering effect on investors as the prospects of a full-scale price war. That consideration may help to restrain the present hostilities.

# Reduced write-downs cut Westbury loss

By Catherine Milton

WESTBURY, the Cheltenham-based housebuilder, saw pre-tax losses contract to £2.18m in the year to February 28 against losses of £15.1m.

The company said it was "cautiously optimistic", reporting in the first 11 weeks of this financial year a 15 per cent increase

in site visitors and a 20 per cent increase in reservations compared with a strong performance at the same time last year.

The losses followed exceptional charges of £7.3m (£15.8m), including a £5.6m write-down on the land bank bringing the total in land bank write-downs to £32m over three years.

There was also a £700,000 provision

against losses in associated companies and the projected shortfall in the cost of completing a joint venture. The company also provided £1m against outstanding home loans made as part of incentive packages.

Turnover was £133m (£132m).

Losses per share were 0.2p (17.4p) and a final dividend of 3.25p (5.75p) gives a total for the year of 5p (5p).

# France and nursing homes boost Kunick

# Control agrees with creditors

By Paul Taylor

KUNICK, the leisure group, reported pre-tax profits of £2.06m for the six months to March 31, a 29 per cent increase on the comparable

pro forma profits of £1.6m. There was a significantly improved performance in

France and a turnaround in the UK nursing homes, writes Peggy Hollinger.

Last year it sold 50 per cent of Goldborough Holdings, its UK nursing home business to County NatWest Ventures. The results assume that the business had been a 50 per cent associate throughout both periods.

Sales were 5 per cent ahead at £49.3m (£47m). After preference dividends losses per share were 0.22p (0.19p).

Mr Christopher Burnett, chairman, said Goldborough's performance had encouraged the joint owners to aim for a flotation within the next 12 months.

CONTROL SECURITIES, the debt-laden property, pubs and brewing group, announced agreement in principle with its major creditors yesterday on restructuring proposals which would enable its shares to resume trading by the end of July.

The proposals, which will be subject to shareholder and bondholder approval, are designed to provide the group with what Mr John Kerslake, finance director, described as "a one year breathing space," while it embarks on a new business plan aimed at reducing gearing and strengthening the balance sheet by converting debt into equity.

Control's shares have been suspended at 10p since October 1991, when the group's offices were raided by the Serious Fraud Office in connection with the investigation into the Bank of Credit and Commerce International.

The group was not under

investigation, but Mr Nazmu Virani, its former chairman and chief executive, was arrested in March last year in connection with BCCI. Since July last year the group has been operating under a series of 30-day standstill agreements with its banks, led by Barclays, while the restructuring negotiations were conducted.

The centerpiece of the proposals is a new business plan under which the bulk of the group's assets would be sold in a "controlled programme of disposals" with the proceeds being used to repay the group's £148m bank debt in full.

The asset sale would include the group's mixed property portfolio which, it is hoped, would be largely sold by mid-1995, the group's UK and Spanish hotel operations and the Belhaven brewery in Scotland and 61 Scottish pubs.

In addition the group's Swiss franc bondholders will be offered a mixture of new 8 1/2 per cent deferred interest bonds and cumulative convert-

ible redeemable preference shares in exchange for their existing securities.

If the restructuring is approved at an extraordinary meeting on June 14, Mr Sydney Robin will step down as chairman and chief executive, and be replaced by Mr Howard Dyer, a consultant to the group since September who has been responsible with Mr Kerslake for devising the proposals. Under these the group will be renamed Ascot Holdings and will focus on the leisure industry, initially on the group's existing English pub estate which will be streamlined.

The estate currently comprises 588 tenanted pubs across the country. Under the plan a streamlined initial core of 150 English pubs would be kept.

Presenting the proposals, Mr Kerslake emphasised that there were substantial risks inherent within the restructuring proposals, but the board believes they represent the only practicable means for the group to continue to trade.

## THE AGRICULTURAL MORTGAGE CORPORATION PLC

### NOTICE

to the holders of the outstanding  
£100,000,000 11 3/8 per cent. Notes 1996

## THE AGRICULTURAL MORTGAGE CORPORATION PLC

(the "Noteholders", the "Notes" and the "Issuer" respectively)

Notice is hereby given that the Meeting of the Noteholders convened by the Issuer for Wednesday, 25th April, 1993 by the Notice published in the Financial Times on 2nd April, 1993 (the "Original Notice") was adjourned by lack of a quorum and that such adjourned Meeting of the Noteholders convened by the Issuer will be held at the offices of Linklaters & Paines, 59-67 Gresham Street, London EC2V 7JA on Monday 7th June, 1993 at 11.15 a.m. (London time) for the purpose of considering and, if thought fit, passing the following Resolution which will be proposed as an Extraordinary Resolution in accordance with the provisions of the Trust Deed of which the principal is dated 30th August, 1989 made between the Issuer and The Law Debenture Trust Corporation Plc (the "Trustee") as trustee for the Noteholders.

### EXTRAORDINARY RESOLUTION

"That this Meeting of the holders of the outstanding £100,000,000 11 3/8 per cent. Notes 1996 (the "Notes") of The Agricultural Mortgage Corporation PLC (the "Issuer") constituted by the Principal Trust Deed dated 30th August, 1989 and the First Supplemental Trust Deed dated 10th May, 1991 both made between the Issuer and The Law Debenture Trust Corporation Plc (the "Trustee") as trustee for the holders of the Notes (the "Noteholders") hereby:

- (1) determines that completion of the purchase by Lloyds Bank Plc of all the issued share capital of the Issuer not previously owned by it shall not be treated as an event of default for the purposes of Condition 9 of the Terms and Conditions of the Notes as printed on the reverse of them and in the Second Schedule to the said First Supplemental Trust Deed (the "Conditions"), cancels the right of the Noteholders which has arisen under paragraph (viii) of Condition 9 to request the Trustee in writing or to direct the Trustee by Extraordinary Resolution to give notice to the Issuer that the Notes are immediately due and repayable by reason of such purchase by Lloyds Bank Plc and assents to the modification thereof by the deletion of paragraph (viii) of Condition 9 and the reference to that paragraph in the proviso to Condition 9;
- (2) sanctions every abrogation, modification, compromise or arrangement in respect of the rights of the Noteholders against the Issuer involved in or resulting from the determination, cancellation and modification referred to in paragraph (1) of this Resolution;
- (3) sanctions the proposal of the Issuer that the Noteholders or any of them may at their option, by depositing with any Paying Agent (as defined in the Conditions) the relevant Note or Notes, together with (i) all Coupons relating thereto which mature after the date fixed for purchase as specified below and (ii) a duly completed Purchase Notice in the form obtainable from any of the Paying Agents (which notice shall be irrevocable) at any time following the passing of this Resolution, require the Issuer to purchase all or any of their Notes on the business day (as defined in Condition 6) specified by the Noteholder in the Purchase Notice and falling not less than 10 days after the date of the deposit of the relevant Note or Notes at a price equal to the aggregate of 100 per cent. of their principal amount and an amount equal to interest accrued to that date, all in accordance with the Second Supplemental Trust Deed referred to in paragraph (4) of this Resolution; and
- (4) authorises and requests the Trustee to concur in the determination, cancellation and modification referred to in paragraph (1) of this Resolution and the proposal referred to in paragraph (3) of this Resolution and, in order to give effect to this Resolution, forthwith to execute a Second Supplemental Trust Deed in the form of the draft produced to the Meeting and for the purposes of identification signed by the Chairman of it with such amendments (if any) to it as the Trustee shall require or approve."

Details of the background to, and the reasons for, the proposed Extraordinary Resolution are set out in the Original Notice.

The attention of Noteholders is particularly drawn to the quorum required for the adjourned Meeting which is set out in paragraph 2 of "Voting and Quorum" below.

Copies of the Principal Trust Deed and the First Supplemental Trust Deed (including the Terms and Conditions of the Notes), the draft Second Supplemental Trust Deed referred to in the Extraordinary Resolution set out above and the Original Notice will be available for inspection by Noteholders during normal business hours at the specified offices of the Paying Agents set out below.

In accordance with normal practice, the Trustee expresses no opinion on the merits of the proposed determination, cancellation and modification or on the put option scheme, the principles of which it has no part in formulating, but has authorised it to be stated that, on the basis of the information set out herein and in the Original Notice, it has no objection to the Extraordinary Resolution being submitted to the Noteholders for their consideration.

### VOTING AND QUORUM

1. A Noteholder wishing to attend and vote at the adjourned Meeting in person must produce at such Meeting either the Note(s) of which he is the holder or the voting certificate(s) issued by a Paying Agent relating to the Note(s) in respect of which he wishes to vote.

A Noteholder not wishing to attend and vote at the adjourned Meeting in person may either deliver his Note(s) or voting certificate(s) to the person whom he wishes to attend on his behalf or instruct a Paying Agent to appoint a proxy to attend and vote at such Meeting in accordance with his instructions.

Notes may be deposited with any Paying Agents or held to their order by Euroclear or Cedeil for the purpose of obtaining voting certificates or appointing proxies in respect of the adjourned Meeting until the time being 48 hours before the time fixed for the adjourned Meeting (or, if applicable, any further adjourned such Meeting), but not thereafter. Notes so deposited or held for the purpose of obtaining a voting certificate will not be released until the first to occur of (a) the conclusion of the adjourned Meeting (or, if applicable, any further adjourned such Meeting) and the surrender of the relevant certificate to the Paying Agent who issued the same. Notes so deposited or held for the purpose of instructing a Paying Agent to appoint a proxy will not be released until the first to occur of (a) the conclusion of the adjourned Meeting or any further adjourned such Meeting or any poll taken on any resolution proposed thereat (whichever is the later), and (b) the surrender to such Paying Agent (not less than 48 hours before the time for which the adjourned Meeting or any further adjourned such Meeting is convened or poll called) of the receipt issued by such Paying Agent in respect of each such deposited Note which is to be released and the giving of notice by such Paying Agent to the Issuer of the necessary amendment to the voting instruction.

Any voting certificate(s) issued, any voting instruction(s) given and any appointment(s) of a proxy made pursuant thereto for the Meeting of Noteholders convened for 28th April, 1993 will be valid for the adjourned Meeting unless, in the case of voting certificates, such voting certificates are surrendered before, or in the case of voting instructions, such voting instructions are revoked or amended not less than 48 hours before, the time for which the adjourned Meeting is convened.

Any Noteholder who, for the purpose of obtaining a voting instruction form or voting certificate, deposited his Note with any Paying Agent or (to the satisfaction of such Paying Agent) gave instructions to Cedeil or Euroclear or another bank or depositary approved by the Trustee for his Note to be held in the order of such Paying Agent, later than 48 hours before the time appointed for holding the first Meeting and who consequently was not issued with a voting instruction form or voting certificate will, provided such Note has not been released, be issued with a voting instruction form or, as the case may be, voting certificate for use in connection with the adjourned Meeting.

2. The quorum required at the adjourned Meeting is two or more persons holding Notes or voting certificates or being proxies whatever the principal amount of the Notes so held or represented.

3. Every question submitted to the adjourned Meeting shall be decided by a show of hands unless a poll is duly demanded by the Chairman of such Meeting or by one or more persons present holding Notes or voting certificates or being proxies and holding or representing to the aggregate not less than one-fifth of the principal amount of the Notes then outstanding. On a show of hands every person who is present in person and produces a Note or voting certificate or is a proxy shall have one vote. On a poll every person who is so present shall have one vote in respect of each £1,000 of Notes so produced or represented by the voting certificate so produced or in respect of which he is a proxy.

4. To be passed the Extraordinary Resolution requires a majority in favour consisting of not less than three-quarters of the votes cast thereon. If passed, the Extraordinary Resolution will be binding upon all the Noteholders whether present or not at the adjourned Meeting and upon all the holders of the interest coupons appertaining to the Notes.

### PRINCIPAL PAYING AGENT

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Paying Agency  
2 Finsbury Avenue  
London EC2M 2PA

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FINANCIAL TIMES  
MAGAZINE

## International Bank for Reconstruction and Development

Washington, D.C.

DM 250,000,000  
Floating Rate Notes of 1993/2003

Issue Price: 100%  
Interest Rate: 7 1/4 % p.a., payable annually in arrears on May 19 of the years 1994 and 1995, thereafter 12 1/4 % p.a. less Six-Months-DL-LIBOR, payable semi-annually in arrears on May 19 and November 19 of each year. The deduction shall not exceed 12 1/4 % p.a.  
Repayment: May 19, 2003, at par  
Listing: Düsseldorf and Frankfurt/Mex

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مكتبة التجميع



EC directive requires disclosure of hidden reserves for the first time

## Gerrard & National rises 61%

By Robert Peston, Banking Editor

GERRARD & National, the financial group which owns one of the City of London's leading discount houses, yesterday made a full disclosure of its profits and reserves for the first time in its 137-year history.

Following the implementation of the European Community's second banking directive, Gerrard has ended the practice of making transfers of undisclosed sums to and from hidden reserves.

On the new accounting basis of making full disclosure, Gerrard made pre-tax profits of £25.2m in the year to April 5, a rise of 61 per cent on a restated £15.7m.

It also disclosed that it had £6.1m in hidden inner reserves, which have now been transferred to published reserves. On this new basis, published shareholders' funds totalled £109m at the year end.

Gerrard's business is divided into two parts, a trading division, which acts as a principal in securities and money markets, and a broking division, which is an agent in the same markets.

The trading division made



Brian Williamson: withdrawal from ERM had benefited the group

pre-tax profits of £11.3m, a rise of 74 per cent, while the broking division made £13.9m, 53 per cent higher.

Mr Brian Williamson, chairman, said the group was a substantial beneficiary from the trading activity generated by the UK's withdrawal from the Exchange Rate Mechanism last autumn and the subsequent falls in UK interest rates.

Gerrard & National Limited,

the group's discount house which is part of the trading division, made pre-tax profits of £8m, up from £3m. Discount houses are traders in short-term money market instruments such as bills of exchange, and have the privilege of being able to trade directly with the Bank of England.

The dividend for the year is being increased from 21p to

21.5p, an increase of 2.4 per cent on 1992. Earnings per share were 36p, up from 24.3p.

Mr Williamson said the small dividend increase was justified by Gerrard's record of always increasing the dividend, even during more difficult trading conditions, ever since the group took its modern form in 1989 with the merger of two discount houses, Gerrard & Reid and the National Discount Company.

He pointed out that the group had diversified its interests substantially over the past few years. As a result, earnings from non-discount interests last year contributed 90 per cent of the cost of the group's dividend, compared with 20 per cent four years ago.

King & Shaxson, another discount house group, also disclosed yesterday that it more than doubled profits in the year to April 30. Profits before exceptional items but after providing for rebate and taxation were £2.21m, up from £920,000.

The full year dividend proposed by the group is 5p, up from 5p.

The consolidated profit and loss account for the year includes the results of Smith St Aubyn, a discount house owned by King & Shaxson.

## SmithKline alliance with genes company

By Clive Cookson, Science Editor

SMITHKLINE Beecham, the Anglo-American pharmaceutical group, is setting up a wide-ranging strategic alliance with Human Genome Sciences, one of the new wave of US companies set up to identify the structure and function of human genes in health and disease.

The goal is to convert genetic discoveries into new drugs and diagnostic products. By the nature of pharmaceutical research, these are unlikely to reach the market for several years.

The companies refused to disclose any financial details, but SB will have to spend tens of millions of pounds on R&D if the collaboration is to lead to significant new products.

Dr George Poste, SB's pharmaceutical R&D chairman, said the work would lead to new drugs and vaccines and also to accurate molecular tests for the early detection of disease, including the identification of people at risk before any symptoms have appeared.

## Inveresk valued at £79m in 150p share offer

By James Buxton, Scottish Correspondent

INVERESK, the Scotland-based specialty paper maker, is valued at £78.8m in a placing and intermediaries offer launched yesterday, with shares being issued at 150p.

The company, which was bought out by its management from Georgia-Pacific in 1990, is going public in order to expand and, over time, to make acquisitions.

It operates four mills, three in eastern Scotland and one in Somerset, making specialty types of paper.

The offer will raise £32.1m. Of this £7.8m will be used to pay off preference shares and outstanding borrowing, leaving about £24m to help finance future expansion.

After the issue Inveresk will be without debt and will have unutilised borrowing facilities of £20m.

On the basis of historic earnings

per share of 11.5p for the year to November 28 1992, the offer values the company at 13 times earnings. Notional net dividend per share last year was 5p, producing a yield of 4.2 per cent.

Of the 22.6m shares being issued, some 14.7m are being placed with institutions and 7.9m are offered to directors, employees and intermediaries. Directors are retaining 85 per cent of their holdings and, with employees, will own 26 per cent of the company after the issue. Existing institutional shareholders will own 23 per cent.

### COMMENT

Inveresk is floating without a profits forecast and with an operating profits line that does not soar upwards. But that is good by the standards of the paper industry over the last three years. As an MBO company it paid off its debt rapidly and invested in plant improve-

ments. Having recently extricated itself from high volume, commodity sectors of the paper market, it is purely a niche operator with a broad spread of products and customers. Pulp represents only 30 per cent of total costs. It now has a low cost base and enjoys operational gearing in spare capacity to take advantage of the economic upturn in the UK. Management is experienced, though not necessarily in making acquisitions, which it intends to do. Opinion is divided on whether Inveresk will itself be taken over, but that is not its intention. The placing has proved popular with institutions looking for a stock which will benefit from this stage of the cycle and allocations have been much smaller than those asked for. The issue is fairly priced at a modest discount to the market on a historic p/e ratio of 13, which could easily go to 15 when trading begins.

## Sindall shares suspended

Shares in William Sindall were suspended at 50p yesterday at the company's request pending the outcome of an appeal by Cambridgeshire County Council against a judgment in favour of the company.

The High Court had found for Sindall, the building, civil engineering and property development group, in respect of an action for rescission of a contract made in 1988 under which land was purchased from the council for £5.08m.

Sindall postponed announcement of its annual results pending the appeal, which is expected today.

DIVIDENDS ANNOUNCED					
	Current payment	Date of payment	Corresponding dividend	Total for year	Total last year
Airflow Stream	2	July 19	0.1	3	0.1
Chesterfield	7.5	July 10	11.5	11	18.5
Drayton B'Chip	5.485	July 9	5.485	8.4	6.4
Drayton Eng &	0.6	July 15	0.8	1.2	1.2
Ferguson Int	8.25	July 8	8.25	12.5	12.5
Gerrard & Nat	15.5	July 1	15	21.5	21
King & Shaxson	5	June 25	2.5	9	5
Martin Currie	0.29	Aug 12	0.2	0.29	0.2
Merchant Retail	0.75p	-	nil	1.1	1.1
Mezzanine Cap	7.25	-	7.25	13.75	14.5
New Throgmorton	2.25	July 30	2.25	6.75	6.75
River & Merc	2.25	July 5	-	9.2	-
Scottish Power	7.43	Oct 1	8.75	11.15	10.13
South'n Business	1.27	Aug 12	1.15	-	3.38
Southern Radio	0.3	July 23	nil	-	0.7940
Stearn	0.2	July 7	0.2	0.3	0.3
Storhouse	2.5	Aug 12	2.5	5	5
Thorp' Dual Tot	1.754	July 30	1.75	-	7
Warner Estates	3.65	July 12	3.5	-	10.5
Westbury	3.25	July 16	5.75	5	9

Dividends shown pence per share net except where otherwise stated. ↑↑↑ Increased capital. SUSM stock. †Third interim.

## French Connection returns to the black

By Peter Pearce

AFTER a plunge to losses of £2m last time, French Connection, the US-quoted clothing wholesaler and retailer which is 80 per cent owned by Mr Stephen Marks, scraped back into the black with £102,000 pre-tax in the year to January 31.

Mr George Wardale, chairman, pointed out that second-half profits were £637,000, a position with which he said he could be "cautiously positive."

Operating profits emerged at £2.48m (losses £3.94m).

The year saw further ration-

alisation and reorganisation of the group. This restructuring followed the management changes, and the consequent shifts in activity, of a year ago. Exceptional costs of £1.32m (£2.93m) included some £800,000 for the closure or disposal of seven French Connection concessions. There are now 31 outlets in the UK and eight in the US.

Mr Wardale said that, all things remaining equal, the rationalisation of the retail business was complete. The £500,000 balance in the exceptional was for the closure of the warehouse in France and

professional fees connected with the group refinancing.

These moves were part of the concentration on the core - made up of the brands and outlets of French Connection and Nicole Farhi.

Although sales in French Connection Wholesale declined £2m to £10.3m operating losses were cut to £1.1m (£2.8m).

Nicole Farhi Wholesale lifted sales to £6.6m (£5.4m) and, with improved margins, made profits of £1.6m (losses £300,000).

Retail sales grew £800,000 to £13.6m and losses shrank to £200,000 (£300,000).

Profits of £900,000 (losses £100,000) were struck in the US. The French operation broke even (£400,000 loss) on lower sales, and in Hong Kong profits were held at £300,000 because of adverse currency movements.

Group turnover decreased to £47.4m (£49.8m). Losses per share were 3p (40.6p).

## Improvement at Martin Currie

Net asset value per share of the Martin Currie European Investment Trust stood at 92.5p at the April 30 year end, against 82.5p six months earlier and 85.5p a year ago.

Net revenue for the 12 months grew from £121,000 to £152,000. Earnings per share improved to 0.56p (0.53p) and a final dividend of 0.29p (0.2p) is recommended.

## POLAND

The FT proposes to publish this survey on June 17 1993

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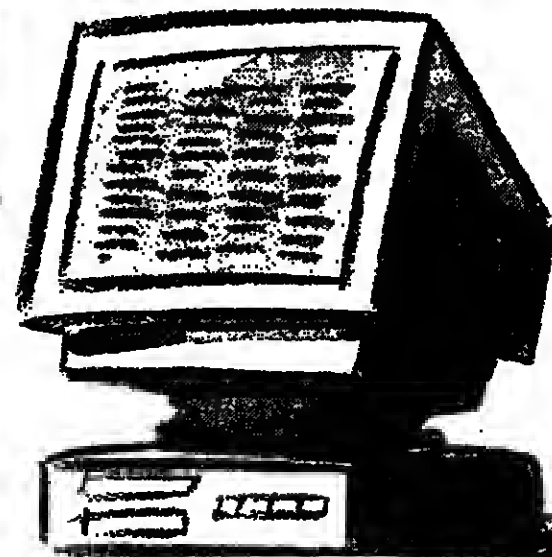
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FINANCIAL TIMES

### UNILEVER N.V.

DIVIDEND ON DUTCH CERTIFICATES OF F1,000, F100, F120 and F14

N.V. NEDERLANDSCH ADMINISTRATIE-EN TRUSTKANTOOR  
Final dividend payments of F1.40 per F1.00 ordinary capital in respect of the year 1992 will be made on or after 21st May 1993 against surrender of Coupon No 12. Coupons may be encashed through one of the paying agents in the Netherlands or through Midland Securities Services ("Midland") at the address below, in the latter case they must be accompanied by a special form, obtainable from the Bank, which contains a declaration that the certificates do not belong to a Netherlands resident.

DUTCH DIVIDEND TAX relief is given by certain Tax Conventions concluded by the Netherlands. A resident of a convention country will, generally, be liable to Dutch dividend tax at only 15% provided the appropriate Dutch exemption form is submitted. No form is required from UK residents holding "K" certificates if the dividends are claimed from Midland, within six months from the above date. If the certificates are owned by a UK resident and are effectively connected with a business carried on through a permanent establishment in the Netherlands, Dutch dividend tax at 25% will be deducted and will be allowed as credit against Dutch tax payable on the profits of the establishment. Dutch dividend tax at 25% is also payable on dividends received by UK residents who are not connected with a business carried on through a permanent establishment in the Netherlands. The proceeds from the encashment of coupons through a paying agent in the Netherlands will be credited to a convertible bank account with a bank or broker in the Netherlands.

UK PAYMENT TAX at the reduced rate of 5% on the gross amount will be deducted from payments made to UK residents instead of at the lower rate of 10%. This provision is also available to non-residents who are entitled to the reduced rate of 5% on the gross amount. The UK income tax will be paid, or a refund of the UK income tax will be made, by the paying agent in the Netherlands on the basis of the information given in the UK tax return.

A statement of the procedure for claiming relief from Dutch dividend tax will be sent to the shareholders of coupons, including names of paying agents and conversion agents, can be obtained from Midland at the address below.

N.V. NEDERLANDSCH ADMINISTRATIE-EN TRUSTKANTOOR  
London Transfer Office, Midland Securities Services, Client Delivery, Stock Exchange Services, Suffolk House, 5 Laurence Pountney Hill, London EC4A 3DF  
21st May 1993

The above announcement is the same as that published on 5th May 1993 except that the information given in respect of UK Income Tax has been amended.

### Notice of Interest Payment

To Extended Term Debenture Holders

K mart (Australia) Finance Limited  
Extended Term Debentures due 2002

Shawmut Bank Connecticut, National Association as Trustee for K mart (Australia) Finance Limited Extended Term Debentures due 2002 under an Indenture dated as of July 1, 1976 between K mart (Australia) Finance Limited and Shawmut Bank Connecticut, National Association hereby confirms the following:

- For the period to June 30, 1994, The Minimum Redemption Price per \$1,000 principal amount of Extended Term Debentures is \$665.82.
- The principal amount outstanding of each Extended Term Debenture is its face value, \$1,000, \$10,000 and \$100,000, respectively.
- The interest payable on July 1, 1994 will be \$120.31 per \$1,000 principal amount of Extended Term Debentures.

Shawmut Bank Connecticut, National Association  
as Successor Trustee to  
May 21, 1993 NATIONAL WESTMINSTER BANK USA

## COMPANY NEWS: UK

### Funds needed for privately-financed infrastructure projects Laing seeks £39m in placing

By Andrew Taylor,  
Construction Correspondent

JOHN LAING, one of Britain's biggest construction groups, is raising £39m, part of which will be used to invest in privately-financed European infrastructure projects.

The company is a member of joint ventures bidding to construct a privately-financed road toll bridge across the Firth of Forth in Scotland and a toll bridge across the river Tagus in Lisbon, Portugal.

It is currently building a toll bridge across the river Severn, between England and Wales, in the joint venture with GTM Entrepote, the French construction group.

Laing is raising the cash through a placing and offer to shareholders of 40.2m of 6.4 per cent convertible cumulative preference shares. The issue is being handled by Barclays de Zoete Wedd. Shareholders are being offered 9 convertible shares at £1 each for every 20 ordinary shares held.

John Laing yesterday joined the growing number of UK householders to report a sharp improvement in the housing market since the beginning of this year.

The company said that agreed sales, on which a deposit had been paid, rose significantly compared with the first four months of last year. Part of this was because of a temporary rise in sales to Housing Associations taking advantage of a government spending initiative which ended in March.

If Housing Association business was excluded, private sector sales had still risen by 20 per cent, said the company, which operates only in south-east England.

"Downward pressure on prices in the south-east has virtually ceased and the need to employ sales incentives is reducing," according to Laing which said it had seen a considerable improvement in the level of deposits taken in the first three months of 1993.

The company, which made a £11.6m pre-tax profit last year following a £65.3m loss in 1991, says it needs the money to increase its involvement in private infrastructure projects. It will also be used to expand Laing's overseas contracting business, particularly in the Far East and to expand its private housebuilding operations from south-east England, where it currently operates, into the Midlands.

Laing says it is also looking at opportunities in continental Europe through its recently formed Société Européenne de Construction joint venture with GTM Entrepote of France, NCC of Sweden and Strabag Bau of Germany.

Laing had net cash of £34m at the end of April, but this excluded £120m of guarantees, performance bonds and letters of credit which increasingly are being sought by UK and

international construction clients.

The group said that increased demand for performance bonds and the requirement of a strong financial base to bid for private infrastructure projects had persuaded it to increase shareholders' funds through a preference issue rather than raise debt, despite its strong cash position.

Mr Martin Laing, chairman, said: "The increasing requirement for contractors to provide performance guarantees means that balance sheet strength is, and will continue to be, a competitive consideration in securing new business."

Performance bonds of up to 10 per cent of a contract's value mean that large amounts of capital can remain tied up in jobs that have already been completed, putting increased strain on balance sheets. A shortage of construction work in the UK meant that customers have been in a much stronger position to demand performance guarantees.

### Ferguson doubles to £9.7m as managing director resigns

By Catherine Milton

FERGUSON International Holdings, the diversified printing and publishing group, almost doubled pre-tax profits to £9.7m in the year to February 28.

The advance from £4.9m a year earlier was thanks partly to flatter comparisons under the FR3 accounting rules.

The company, whose shares closed up 18p at 323p, also announced the resignation by "mutual consent" of Mr Michael Saint as group managing director.

Having managed the refocusing of the company over the past three years, Mr Saint said

it was time to move on. A successor would be announced later, the company said.

Underlying profit growth was 28 per cent after stripping out exceptional costs for the closure of loss-making operations, disposals and restructuring. These were a net £849,000 this time and £3.3m a year earlier.

Operating profits on continuing activities rose 25 per cent to £11.4m. Interest charges fell to £777,000 (£1.1m) while gearing was reduced to 15.1 per cent (25.1 per cent).

The clothing hangers division was the only one to show a fall in operating profits to £2.47m (£2.63m) on improved turnover of £31.5m (£31.1m).

The company's biggest business, labels, improved margins and contributed £6.7m (£4.4m) on turnover of £58.1m (£51.4m).

Communications components improved profits to £1.97m (£1.56m) on turnover of £30.5m (£16.8m).

Printing and publishing raised its input to £333,000 (£493,000) on turnover of £11.1m (£10.5m) and took a small loss on discontinued operations.

Turnover from continuing operations rose to £121m (£110m) thanks mainly to volume gains in difficult markets.

The unchanged final dividend of 8.25p maintained the total at 12.5p, out of earnings per share of 19.5p (16.5p).

### Net assets improve at MCIT

By Philip Coggan,  
Personal Finance Editor

MEZZANINE Capital and Income Trust (2001) maintained its final dividend at 7.5p yesterday, as it announced an increase of 43 per cent in the net asset value of its capital shares and 9.6 per cent in the net value of its income shares in the year to March 31.

The split capital investment trust invests in the debt and in the shares of ES companies. The portfolio, which is managed by Jordan-Zalaznick, the US group, has investments in just eight companies.

During the year, the trust realised an investment in Rockwood, which brought in \$9m. A restructuring of American Safety Razor, another of the group's investments, resulted in MCIT receiving \$1.2m of payment-in-kind notes.

Although these are classed as revenue, they are not cash, and the board accordingly cut its interim dividend. The total dividend is thus down at 13.75p, against 14.5p.

However, ASR has filed to make a public offering in the US. If this happens, MCIT will receive cash for the payment-in-kind notes, which it will distribute as a special interim dividend.

The trust's equity assets were valued at £55.9m, up from £43.3m at the end of the previous financial year, an increase of 29 per cent.

The net asset value per capital share was 255.3p, while net per income share was 120.7p.

### Starmin offers 50% higher enhanced scrip

By Nigel Clark

STARMIN, the Guildford-based quarry products group, has joined the growing trend for proposing enhanced scrip dividends to ease the company's unrelieved advance corporation tax situation and conserve cash resources.

The scrip offer is worth 30p per 100 shares, a 50 per cent improvement on the unchanged cash dividend of 0.3p including a recommended maintained final payment of 0.2p.

Although Starmin now operates mainly in the UK the unrelieved ACT arose from the companies in the group when the Abdullah brothers bought into it in 1989 following their departure from Evered, and the operations of acquisitions.

Mr Raschid Abdullah, chief executive, added that cash conservation was as important a reason as the ACT. "Although smaller companies are returning to fashion raising funds is still difficult," he said.

In the 1992 year the company reported a pre-tax loss of £3.06m, compared with profits of £1.94m. The maintenance of the dividend was based on the company's prospects, which

the board viewed with a little more confidence than at the interim stage.

In the current year there had been some signs of increased activity and a satisfactory result in the first three months. But the company warned that the recovery would be slow and difficult.

The pre-tax figure was achieved after exceptional charges of £9.21m (£924,000) relating to reorganisation and restructuring costs less earlier provisions and property sale profits.

Of the pre-exceptional profits of £1.87m (£2.38m), £2.24m (£3.35m) related to continuing operations.

Mr Abdullah said that the company had taken a cautious view of the year and was one of the reasons for the delay in publishing the results. He thought that most of the necessary actions had been taken to secure the future.

Turnover was static at £20.1m (£20m) and losses per share came out at 2.5p against earnings of 0.5p.

At the annual meeting Mr Owen Rout is being replaced as chairman by Lord Parkinson, the present deputy.

See Observer

### Warner Estates declines to £3.76m at midterm

WARNER Estates reported pre-tax profits of £3.76m for the six months to March 31, compared with £1.1m restated on a FR3 basis to take account of realised capital surpluses less released revaluation gains.

The main interest of the company is property investment but the pre-tax figure also included losses of £268,000 from marble and tiling activities.

Turnover was £5.41m

(£6.42m) including £1.6m (£505,000) from marble and tiling.

Rental income increased slightly and this was expected to continue as rent reviews and lettings occurred. Further restructuring has been undertaken at marble and tiling where indications for the second half were more hopeful.

Earnings per share came out at 5.43p (6.08p) and the interim dividend is raised to 3.85p (3.5p).

### OGC placing and offer is oversubscribed

APPLICATIONS under the placing and offer of 12m OGC International ordinary shares have been received for a total of 20.2m, resulting in the offer being subscribed 1.7 times.

The 47 applications for 77,450 shares, which were received from eligible employees, will be allotted in full, while the 238 by eligible Fairhaven shareholders for 1.98m shares will be allotted on the following basis.

For up to 30,000 applied for: in full; up to 40,000: 75 per cent; over 40,000: 65 per cent.

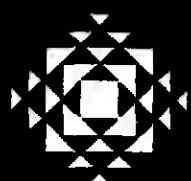
There were 14,003 public applications for 18.2m shares and these will be allotted on the following basis: up to 500 shares: in full; up to 600: 500; up to 700: 550; up to 800: 600; up to 900: 650; up to 1,000: 700;

between 1,500 and 5,000: 50 per cent; between 6,000 and 10,000: 45 per cent; between 15,000 and 50,000: 40 per cent; between 55,000 and 100,000: 35 per cent; between 110,000 and 300,000: 30 per cent and over 300,000 approximately 25 per cent.

Dealings are expected to start on June 1.

### UniChem purchase

A UniChem subsidiary, E Moss, has acquired a pharmacy in Gulsborough, County Cleveland from AJ Leeming for a maximum of £540,000. The consideration consists of £315,000 cash and the balance through the issue of 96,804 UniChem ordinary.



ScottishPower

## Achieving better performance

- Operating profit before exceptional items up by 17.2 per cent to £330 million
- Earnings per share after exceptional items up 6.3 per cent to 26.9p per share
- Dividend for year up 10.1 per cent to 11.15p per share
- Net Debt reduced to £98 million and gearing cut to 12.2 per cent

### PRELIMINARY RESULTS FOR THE YEAR ENDED 31 MARCH, 1993

Commenting on the results, Mr. C. Murray Stuart, Chairman of ScottishPower, said:

"The past year has been an extremely active and successful one for the company. The main theme has been a continual striving for better performance - the quest to improve customer services, grow our earnings and strengthen the balance sheet.

During 1992, we undertook a review of our activities and external environment with the overall objective of developing a strategy for the company that maximises shareholder value. In our core businesses, we found that we were performing well against our peer group in the United Kingdom. We can, however, do better and we aim to achieve

performance in line with best practice worldwide. Our budgets for 1993/94 have been pitched to achieve substantial progress towards those levels.

We are also aiming to prudently expand the company's interests beyond its core into other utility-related businesses which provide opportunities to create value above those available to our shareholders through their own direct investment.

We believe that in the short-term we have a basis for improving profits and dividends, whilst we position the Group to take advantage of longer-term opportunities both for growth in the core business on a sustainable basis and for creating a broader utilities-based business in the future".

For further information please contact Public Affairs:  
Telephone 041 637 7177  
Facsimile 041 636 4655

مكازم الأصول



## Minister calls for an entrepreneurial approach Denton stirs debate on future of junior market

By Peggy Hollinger

THE DEBATE over the future structure of a junior market was given added impetus yesterday with a call from Baroness Denton, the minister for small companies, for a more entrepreneurial market aimed at encouraging growth in smaller companies.

Speaking to the Financial Times at the opening of the House of Commons Small Companies Exhibition, Baroness Denton called for a "greater sense of risk and enterprise" in any new market which might succeed the Unlisted Securities Market, due to close in 1996.

"Some people want to gamble with their investments and I would rather they gambled on industry than on horses," she said.

Referring to the Stock Exchange's role as a regulatory body, which is often quoted as one of the main obstacles to the

creation of a higher risk professional market, the minister said: "I think there is a balance which can be achieved between risk and security."

She stressed the importance of smaller companies to the UK economy. Figures published this week showed that companies with fewer than 20 employees had helped create 350,000 new jobs between 1989 and 1991. "Britain's prosperity depends on the continuing vitality of this sector," she said.

The minister is due to meet Stock Exchange representatives next month to discuss alternatives to the USM.

Proposals include the call by the lobby organisation, Ciscio, for a three-tier market, including a higher risk sector aimed at professional investors. The Stock Exchange has also set up a working party on the issue, which meets for the first time next week.

The small companies exhibition, the second organised by Hoare Govett, attracted some 45 companies ranging in market value from £5m to £250m.

Hoare Govett estimated that between 300 and 350 brokers, institutional investors and visitors were due to attend the exhibition in London's Barbican centre.

Mr Peter Melnertshagen, chairman of Hoare Govett, said the recent revival in the UK smaller companies market had begun to attract international investors. Representatives from the US had attended the London exhibition.

Exhibition participants welcomed the opportunity to meet a wide range of institutions and brokers.

"We have seen a lot of fund managers we might never have met," said Mr James Wallace of Pifco Holdings. "From that point of view it is definitely worth a day out."

## Southern Business shares fall after provisions warning

By Peggy Hollinger

SHARES in Southern Business Group fell by 19 per cent yesterday to 67p as the photographer-leasing company warned it would make provisions of £3m in the second half to pay for a reorganisation of existing contracts.

The company said it had decided to make fundamental changes to the way in which its contracts were marketed and administered.

Customers would be sent bills showing the amount of copies actually made, along with the volume agreed in the contracts. In many cases, because of the effects of recession on smaller businesses, the actual number used would be lower.

Southern Business Group plans to bring its existing contracts in line with the actual number used.

"This policy will enhance the group's reputation for customer service," said Mr David McErlain, chairman. "While it will inevitably lead to an ongoing cost, the board believes the benefits... will significantly outweigh these costs."

The decision follows the group's revelation earlier this year that it had uncovered "improprieties" in its dealings with some customers. About 12 salesmen and one director subsequently left the company.

Southern issued the warning yesterday as it revealed virtually static pre-tax profits for the first half of £7.2m (£7.1m). Sales were 8 per cent ahead to £29.4m for the six months ended March 31.

Although Mr McErlain said market conditions remained difficult, the dividend was raised by 10 per cent to 1.27p. Earnings were ahead from 4.33p to 4.99p.

The group also announced the appointment of Mr Roger Lempenny, previously finance director, as joint managing director with Mr McErlain. Mr David Holtom, company secretary, was appointed finance director.

### NEWS DIGEST

## Merchant Retail falls to £1.08m

PRE-TAX profits of Merchant Retail Group fell by £540,000 to £1.08m in the year to March 27, although turnover increased from £170m to £186m.

The results include property profits of £664,000 and a provision of £574,000 for the closure of Barnum's.

Mr David Wallis, managing director, said it had been a difficult year for both of the group's main divisions: Normans, the supermarket side, is operating in an extremely competitive marketplace, while Joplings, the stores division, has had to compete particularly strongly for available consumer spend.

Capital expenditure amounted to £5.6m (£5m), but tighter controls on working capital had resulted in a reduction in bank borrowings to £16.7m (£17.8m), he added. Gearing was cut to 63 per cent, against 66 per cent.

A final dividend of 0.75p (nil) makes an unchanged total for the year of 1.1p. Although not fully covered by earnings of 0.94p (1.24p), the directors said the payment was appropriate as action had been taken to deal with the loss-making businesses and further cost reductions were being introduced.

The shares put on 1 1/2p to 16 1/2p.

## Drayton trusts show improvement

Drayton Blue Chip Trust achieved a 35 per cent rise in net assets per share to end the year to March 31 at 81.8p, against 60.5p at the end of March 1992.

Net revenue was little changed at £1.14m (£1.12m) and earnings per share showed a

small improvement to 9p (8.85p). A same again final dividend of 5.40p is proposed to maintain the total at 4.4p.

Drayton English & International Trust also reported an increase in net asset value. The year to April 5 ended with net assets of 75.5p (66p).

Net revenue was £1.65m (£1.68m).

The dividend for the year is unchanged at 1.2p, including a final of 0.6p, on earnings per share of 0.53p (0.71p).

Gross income declined to £3.96m (£4.4m). The directors said that unless income improved in the next year they would have to reconsider the level of payment.

## Southern Radio records 59% rise

Southern Radio, which broadcasts in Hampshire, Kent, Sussex and the Isle of Wight, reported pre-tax profits up to £165,000 to £263,000 in the six months to end-March - a 59 per cent advance.

The outcome was achieved on turnover up from £3.17m to £4.01m. Earnings per share worked through at 0.62p (0.48p) and an interim dividend of 0.3p (nil) is declared.

The directors said the recession in the south-east had been deep and long, and had been at its worst in January and February. It was still too early to say if the first signs of a return of confidence would continue for the rest of the year, they added.

## Chesterfield Props shares rise 21%

Chesterfield Properties' share price rose 21 per cent from 272p to 330p yesterday after the company reported a £1m increase in 1992 pre-tax profits to £7.65m.

Mr Roger Wingate, chairman, said: "For the first time since 1989, I am reasonably

confident that the immediate future (for Chesterfield) will be better than the recent past." He said the figures were not wholly indicative of the company's strengthened position. They did not show the effect of reduced interest rates on the profit and loss account.

Since the year-end borrowings had been reduced by £79m, thanks to the sale of properties in Oxford Street, central London, and Leighton Buzzard, Buckinghamshire.

Net asset value fell by 25 per cent to 35p (53p) due to the reduced value of the investment portfolio. A reduced final dividend of 7.5p (11.5p) has been recommended, for a total of 11p (18.5p) on earnings per share of 15.71p (12.02p).

## Downiebrae in acquisition talks

Shares in Downiebrae Holdings, the Glasgow-based engineering group, closed up at 82p yesterday after the announcement that it was in talks which could lead to a substantial acquisition.

## Airflow Streamlines surges to £1.5m

Further progress in the second half led Airflow Streamlines, the vehicle cab maker and Ford main dealer, to report substantially higher annual pre-tax profits of £1.5m.

The surge from £87,000 was achieved on sales of £86.1m (£81.1m) for the year to February 28.

The recommended final dividend of 2p makes a total of 3p against 0.1p previously. Earnings per share of 10.38p compare with a 0.07p deficit.

The company said the body engineering division had an exceptional year, despite significant bad debt provisions, but this was unlikely to be repeated.

### PUBLIC NOTICES

#### INSURANCE COMPANIES ACT 1982

#### Notice of Approval of Transfer of Business

Notice is hereby given pursuant to Section 51(5)(a) of the above Act that the Secretary of State has approved a transfer of certain general business from Municipal Mutual Insurance Limited and Municipal General Insurance Limited to Cornhill Insurance Plc.

Department of Trade  
and Industry  
London  
10 May 1993

#### FULCRUM INVESTMENT TRUST P.L.C.

Profitability results (subject to audit)

	18 months ended 30 April 1993	12 months ended 31 October 1991
Net Revenue before Tax	£1,484,883	£383,896
Dividend per Income Share	13.07p	9.20p
Net Assets per Valuation	£17,400,035	£3,380,648
Net Asset Value per		
Zero Dividend	111.03p	-
Preference Share	0.83p	42.11p
Income Share	48.11p	12.85p
Capital Share		

Fourth Interim Dividend in lieu of Final of 2.92p per Income share making 13.07p per share for the 18 month period (9.20p for 12 months) payable 30th June 1993 to shareholders registered 5th June, 1993

MAUNBY

REVENUE MANAGEMENT LTD

4 MOUNT PARADE, HARRINGTON, NORTH YORKSHIRE HG1 1BX  
TELEPHONE: (0423) 523553 - FAX: (0423) 530358



ISTITUTO PER LA RICOSTRUZIONE INDUSTRIALE (IRI) S.p.A.

## ANNOUNCEMENT OF SOLICITATION TO OFFER FOR 32% OF SME'S SHARE CAPITAL WHICH WILL BE OWNED BY IRI AFTER THE DEMERGER OF SME

On January 7, 1993 the meeting of the shareholders of Istituto per la Ricostruzione Industriale (IRI) S.p.A. ("IRI") (headquartered in Rome, Via Vittorio Veneto 89) approved the plan for the demerger of SME - Società Meridionale Finanziaria S.p.A. ("SME") (headquartered in Naples - Centro Direzionale, Via G. Porzio, 4, Isola A, Edificio 7, and registered at the Court of Naples at n. 22/1966 with fully paid-up capital of Lire 453,859,500,000 and with a statutory purpose of owning and managing equity stakes in companies operating in particular in the food, retail and catering industries). IRI owns 62.12% of SME's share capital, equal to 281,949,665 shares.

The Board of Directors of SME has proposed the demerger which will have to be approved by the shareholders' meeting of SME called for June 15, 1993 in the first instance, and for June 16, 1993 in the second instance. The demerger plan foresees, among other things, the transfer into newly formed companies, for which the sale procedures have already been started, of all the shares held by SME in Italgel (100%) and in Cirio-Bertolli-De Rica (99.99%).

After the demerger, SME will be left with the retail activities (Società Generale Supermercati and its subsidiaries SLCO. and Serio), catering activities (Autogrill) and real estate and trade promotion activities (Atena). Furthermore SME will retain control of SME International.

While proceeding with the demerger, IRI intends to solicit and to screen acquisition offers for 145,235,040 shares constituting 32% of SME's share capital. The sale of these shares is dependent upon completion of the demerger plan. Offers are to be invited from institutional investors and industrial entities, both Italian and foreign. This invitation is being extended only to limited liability companies or other entities which, as of the date of the last approved financial statements, had net worth of not less than Lire 15 billion, or which can provide equivalent guarantees acceptable to IRI. Brokers, trustees, partnerships and single persons are excluded.

Under the terms of this announcement, individual interested parties may only acquire blocks of either 18,154,380 shares (4% of share capital) or 36,308,760 shares (8% of share capital). However it is intended that parties grouped together will form a concert party which will offer for the whole of IRI's 32% stake under offer. Under article 10 of Italian law 18/2/92 n. 149 the winning concert party will then be obliged to launch a compulsory "Offerta Pubblica di Acquisto" ("OPA") or public tender offer for a further 32%.

The winning party, through a shareholders' agreement (the "Shareholders' Agreement") will constitute a core group of shareholders owning 50% of SME's share capital. This core group of shareholders will include IRI which will participate with a shareholding in SME of 5%. The remaining 45% will consist of the entire 32% of SME's share capital to which this announcement refers, together with a further 13% which will be acquired as a result of the OPA. IRI will undertake to sell a sufficient number of shares to ensure the acquisition of a further 13% of SME's share capital under the OPA.

The acquisition by the concert party of shareholders of 32% of SME's share capital, together with the above mentioned IRI undertaking, will guarantee the position of the concert party as principal shareholder in SME.

The shares owned by the winning group and not subject to the Shareholders' Agreement should be dealt with according to a consensus of the concert party, in order to achieve the best diffusion of the SME shares to the public. A part of these surplus shares may be utilized for the involvement of SME group management.

For the purposes of this transaction IRI has engaged the service of Wasserstein Perella International Limited ("WP") as its financial advisor. Interested parties should direct enquiries to the following:

Wasserstein Perella & Co. Limited  
10-11 Park Place,  
London SW1A 1LP  
England  
Marco Capello - Director  
Karen Dodd - Associate  
Tel: (44 71) 499 4664  
Fax: (44 71) 495 2545

Parties interested in making an offer who meet the aforementioned requirements should observe the following procedure:

**Registration of Interest** - parties should register interest at the above address in writing (registration by fax is acceptable), whereupon they will be informed as to the application for the "Solicitation to Offer" containing additional terms of the procedure, the Information Memorandum, and the sale and purchase agreement including the draft of the Shareholders' Agreement and will be sent the text of the Confidentiality Agreement.

**Application** - the aforementioned application should be received at the above address not later than June 7, 1993 and should include the Confidentiality Agreement, signed by the legal representative.

**Preliminary Offer** - Interested parties will be allowed to participate in the offer as part of a predetermined group. Therefore interested parties not part of a group will need to form a group within the time frame of the offer procedure in order to make a preliminary offer for 32% of SME's share capital; such offer will then be followed by a definitive binding offer.

A preliminary offer, in any case for 32% of SME's share capital, may be presented provided that there are sufficient members of the concert party to cover at least three-quarters of the shares being sold by IRI (i.e. 24% of SME's share capital). In this case the rest of the quota should be allocated before presentation of the final offer, to one or two parties who meet the requirements prescribed by the Solicitation.

Upon registering interest, parties will also be told the procedures guiding the teaming up of interested parties as well as the required characteristics of the core group of shareholders.

**Any request received after June 7, 1993, or any request presented by:**

- WP, its parent companies, its subsidiaries, or fellow subsidiaries; or
- parties financed by the above subjects with the aim of acquiring the aforementioned stake, their parent companies, subsidiaries, or fellow subsidiaries; or
- parties who provide financing to other parties for the purpose of the acquisition, their parent companies, subsidiaries and fellow subsidiaries; or
- parent companies, subsidiaries, or fellow subsidiaries of another party interested in the acquisition, or fellow subsidiaries of a party who is controlling another party interested in the acquisition;

will not be considered. It is anticipated that, at the end of the procedure, IRI will dispose of its shares that could be in excess of 5% by way of an "Offerta Pubblica di Vendita", or public offer for sale, giving pre-emption rights to employees of SME group after the demerger.

This announcement and the related Solicitation to Offer represent neither a public offer under article 1336 of the Italian Civil Code, nor a solicitation to public saving under article 1/18 of Italian law 7/6/74 n. 216 together with successive modifications and integrations.

**The Italian text of this announcement and the other documents referring to this procedure will prevail over any other version. Requests for such documents should be directed to the above address.**  
**This announcement and the sale procedure are subject to Italian Law; in the event of any kind of controversy related to the above, the Court of Rome (Italy) will have jurisdiction.**

*This advertisement, for which IRI is responsible, has been approved by Wasserstein Perella & Co. Limited, a member of the Securities and Futures Authority solely for the purposes of Section 57 of the Financial Services Act 1986. Wasserstein Perella & Co. Limited is acting for IRI in relation to the publication of this advertisement and is not acting for any other persons and will not be responsible to such persons for providing protections afforded to customers of Wasserstein Perella & Co. Limited or advising them as to any matter referred to herein.*



## BUSINESSES FOR SALE

INVITATION TO TENDER FOR THE HIGHEST BID  
for the Purchase of the groups of assets of "VOMVIX, SILK INDUSTRY AND TRADE - P. SVOLOPOULOS & CHR. KOUTROUBIS S.A." of Athens

"ETHNIKI KEPHALEOU S.A. Administration of Assets and Liabilities" of 1, Skoulionou Str., Athens Greece, in its capacity as Liquidator of "VOMVIX, SILK INDUSTRY AND TRADE - P. SVOLOPOULOS & CHR. KOUTROUBIS S.A." a company having its registered office in Athens, Greece (the "Company"), which is presently under the status of special liquidation according to the provisions of article 46a of Law 1892/1990 (as supplemented by article 14 of Law 2000/1991).

announces a call for tenders for the highest bid by submission of sealed binding offers for the separate purchase by public auctions (the Auctions) of one or more of the groups of assets of the Company, described below.

## BRIEF INFORMATION:

The company was established in 1933 and was in operation until 1990 when it was declared under liquidation. Its activities included the production, processing, marketing and exportation of textiles and fibres.

## GROUPS OF ASSETS OFFERED FOR SALE:

1. A cotton spinning and weaving mill in Avlaki (Phiotida, Stydia) consisting of several buildings, of approximately 18,000 m<sup>2</sup>, standing on a plot of 171,450 m<sup>2</sup> and containing machinery, mechanical equipment, etc. (1st Auction)
2. A synthetic (nylon-polyester) and helanca fibres producing factory in Peristeri, Athens, consisting of a dyeing unit, a finishing unit and other buildings of approx. 40,000 m<sup>2</sup>, standing on a plot of 34,041 m<sup>2</sup> and containing machinery, mechanical equipment, etc. The company's registered name is also offered for sale. (2nd Auction)
3. A plot of 156,592 m<sup>2</sup> in Enofeta, Thebes. (3rd Auction)
4. A plot of 2,013 m<sup>2</sup> in Athens. (4th Auction)
5. Stock in-trade consisting of approximately 109,000 mt. of dyed fabrics, 225,000 mt. of off-white fabrics and 119,000 kgs of acrylic fibres. In addition, raw materials consisting of 8,000 kgs of nylon are also on sale. In respect of most of these goods, approximately 100 Privileged Company of General Warehouses of Greece Certificates have been issued, pledged to National Bank of Greece S.A. (5th Auction)
6. Six (6) plots with a total area of approximately 24,757 m<sup>2</sup> in the rural area of the Community of Avlaki, Fthiotida (Lamia), divided as follows: (a) 5,404 m<sup>2</sup>, (b) 9,322 m<sup>2</sup>, (c) 8,239 m<sup>2</sup>, (d) 5,835 m<sup>2</sup>, (e) 4,200 m<sup>2</sup> and (f) 4,020 m<sup>2</sup>. These are being offered for sale as one whole and not in part.
7. Plot consisting of 200 m<sup>2</sup> in Kifissou Avenue (opposite No. 136), in the area of Peristeri Local Authorities. Construction, however is not allowed thereon, according to City Planning Regulations.

## OFFERING MEMORANDUM - FURTHER INFORMATION:

Interested parties may obtain an Offering Memorandum in respect of the Company and the assets thereof and any further information, upon signing a confidentiality agreement.

## TERMS AND CONDITIONS OF THE AUCTION

1. The Auction shall take place in accordance with the provisions of article 46a of Law 1892/1990, the terms and conditions set forth herein and the "Terms and Conditions of Sale" contained in the Offering Memorandum. Such provisions and other terms and conditions shall apply irrespective of whether they are mentioned herein or not. Submission of binding offers shall mean acceptance of such provisions and other terms and conditions. Submission of offers in favour of third parties to be appointed at a later stage shall be accepted under the condition that express mention is made in this respect upon the submission and that the offeror shall give a personal guarantee in favour of such third party.
2. Bidding Offers: Interested parties are hereby invited to submit binding offers, not later than Monday 14th June 1993, at 11.00 a.m. hours, to the Athens Notary Public Mrs. Ioanna Gavrieli-Anagnostaki, address: 18, Fidiou Str., Athens, tel.: +30-1-361.97.28, fax: +30-1-362.51.81. Offers should expressly state the offered price and the detailed terms of payment (in cash or in instalments, mentioning the number of instalments, the dates thereof and the proposed annual interest rate. In the event of not specifying a) the offered price is payable immediately in cash, b) the instalments shall bear interest and c) the interest rate shall be the legal rate in force (presently 37% yearly). Binding offers submitted later than the above time limit shall neither be accepted nor considered. The offers shall be binding until the adjudication.
3. Letters of Guarantee: Binding offers must be accompanied by Letters of Guarantee, issued, in accordance with the draft Letter of Guarantee contained in the respective Offering Memoranda, by a bank legally operating in Greece, to remain valid until the adjudication. The amounts of the Letters of Guarantee must be as follows: (a) for the cotton spinning and weaving mill in Avlaki, Fthiotida (1st Auction): Drs. 120,000,000 - ONE HUNDRED AND TWENTY MILLION; (b) for the factory producing synthetic and helanca fibres in Peristeri, Athens (2nd Auction): Drs. 250,000,000 - TWO HUNDRED AND FIFTY MILLION; (c) for the plot in Enofeta, Thebes (3rd Auction): Drs. 50,000,000 - FIFTY MILLION; (d) for the plot in Athens (4th Auction): Drs. 20,000,000 - TWENTY MILLION; (e) for the stock and raw materials (5th Auction): Drs. 30,000,000 - THIRTY MILLION; (f) for the six plots (6th Auction): Drs. 3,000,000 - THREE MILLION; and (g) for the plot in Kifissou Aven. (7th Auction): Drs. 2,000,000 - TWO MILLION.
4. Letters of Guarantee shall be returned after the adjudication. In event of non-compliance with the provisions and other terms and conditions referred to in paragraph 1 hereof, the Letters of Guarantee shall be forfeited as a penalty.
5. Submissions: Binding offers together with the Letters of Guarantee shall be submitted in sealed envelopes. Submissions shall be made in person or through a duly authorised agent.
6. Envelopes containing the binding offers shall be unsealed (successively as mentioned above, i.e. 1st Auction, 2nd Auction) by the above mentioned Notary Public in her office, on the 14th June 1993, at 14.00 hours. Any party having duly submitted a binding offer shall be entitled to attend and sign the deed attesting the unsealing of the binding offers.
7. As highest bidder shall be considered the participant, whose offer will be judged, by 51% of the Company's creditors (the "Creditors"), in their absolute discretion, upon suggestion of the liquidator, to be in the best interests of all of the creditors of the Company. Mention is made that for the purposes of evaluating an offer proposed to be paid in instalments, the present value thereof shall be taken into account, which shall be calculated on the basis of a discount interest at an annual rate of 22% compounded yearly.
8. The liquidator shall give written notice to the highest bidder to appear on the date and place mentioned therein and execute the contract of sale in accordance with the terms contained in his binding offer and/or any other improved terms, which may be suggested by the liquidator and agreed upon. Adjudication shall be deemed to take effect upon execution of the contract of sale.
9. All costs and expenses of any nature in respect of the participation and the transfer of the assets offered hereby for sale shall be borne, solely by the participants and the purchaser respectively.
10. The liquidator and the Creditors shall have no liability nor obligation whatsoever towards the participants in relation to the evaluation of the offers or the appointment of the highest bidder or any decision to repeat or cancel the Auction or any decision whatsoever in connection with the proceedings of the Auction. The liquidator and the notary shall have no liability for any legal or actual defects of the assets. Submission of binding offers shall not create any right, power or claim from this invitation and/or their participation in the Auction against the liquidator and/or the Creditors for any reason whatsoever.
11. This invitation has been drafted in Greek and translated in English. In any event the Greek version shall prevail.

To obtain the Offering Memoranda and for any further information please apply to the Liquidator of the Company: "ETHNIKI KEPHALEOU S.A. Administration of Assets and Liabilities", address: 1, Skoulionou Street, 105 61 Athens Greece, tel.: +30-1-323.14.84, fax: +30-1-321.79.05 attention Mrs. Marika Frangaki.

INVITATION TO TENDER FOR THE HIGHEST BID  
for the Purchase of the groups of assets of "VOMVICRYL SOCANON, INDUSTRIELLE ET COMMERCIALE DES FIBRES ACRYLIQUES" of Athens Greece

"ETHNIKI KEPHALEOU S.A. Administration of Assets and Liabilities" of 1, Skoulionou Str., Athens Greece, in its capacity as Liquidator of "VOMVICRYL SOCANON, INDUSTRIELLE ET COMMERCIALE DES FIBRES ACRYLIQUES" a company having its registered office in Athens, Greece (the "Company"), which is presently under the status of special liquidation according to the provisions of article 46a of Law 1892/1990 (as supplemented by article 14 of Law 2000/1991).

announces a call for tenders

for the highest bid by submission of sealed binding offers for the separate purchase by public auctions (the Auctions) of one or both of the following groups of assets of the Company.

## BRIEF INFORMATION:

The company was established in 1973 and was in operation until 1990 when it was declared under liquidation. Its activities included the production, and trading of every type of fibres and textiles. The company is not in operation, neither is any personnel being employed.

## GROUPS OF ASSETS OFFERED FOR SALE:

1. Plant in Avlaki Fthiotida (along Lamia-Volos National Road), consisting of buildings of 23,296 m<sup>2</sup>, standing on a plot of 190,718 m<sup>2</sup> and containing machinery, mechanical equipment, furniture and other equipment. The company's registered name, etc. are also being offered for sale. (1st Auction)
2. Stock-in-trade consisting of approximately 141,000 kilos, of different quality and colour acrylic fibres. In this respect, there have been issued 20 "Privileged Company of General Warehouses of Greece" Certificates, pledged to the NATIONAL BANK OF GREECE S.A. (2nd Auction)

## OFFERING MEMORANDUM - FURTHER INFORMATION:

Interested parties may obtain an Offering Memorandum in respect of the Company and the assets thereof and any further information, upon signing a confidentiality agreement.

## TERMS AND CONDITIONS OF THE AUCTION

1. The Auction shall take place in accordance with the provisions of article 46a of Law 1892/1990, the terms and conditions set forth herein and the "Terms and Conditions of Sale" contained in the Offering Memorandum. Such provisions and other terms and conditions shall apply irrespective of whether they are mentioned herein or not. Submission of binding offers shall mean acceptance of such provisions and other terms and conditions. Submission of offers in favour of third parties to be appointed at a later stage shall be accepted under the condition that express mention is made in this respect upon the submission and that the offeror shall give a personal guarantee in favour of such third party.
2. Bidding Offers: Interested parties are hereby invited to submit binding offers, not later than the 14th June 1993, at 11.00 a.m. hours, to the Athens Notary Public Mrs. Anna Tsafara, address: 10-12, Ippokratou St., Athens, tel.: +30-1-361.95.83, fax: +30-1-364.31.38. Offers should expressly state the offered price and the detailed terms of payment (in cash or in instalments, mentioning the number of instalments, the dates thereof and the proposed annual interest rate. In the event of not specifying a) the offered price is payable immediately in cash, b) the instalments shall bear interest and c) the interest rate shall be the legal rate in force (presently 37% yearly). Binding offers submitted later than the prescribed time limit, shall neither be accepted nor considered. The offers shall be binding until the adjudication.
3. Letters of Guarantee: Binding offers must be accompanied by Letters of Guarantee, issued, in accordance with the draft Letter of Guarantee contained in the respective Offering Memoranda, by a bank legally operating in Greece, to remain valid until the adjudication. The amounts of the Letters of Guarantee must be as follows: (a) for the plant in Avlaki Fthiotida (1st Auction): Drs. 350,000,000 - DRS. THREE HUNDRED AND FIFTY MILLION; (b) for the stock-in-trade (2nd Auction): Drs. 10,000,000 (DRS. TEN MILLION).
4. Letters of Guarantee shall be returned after the adjudication. In event of non-compliance with the provisions and other terms and conditions referred to in paragraph 1 hereof, the Letters of Guarantee shall be forfeited as a penalty.
5. Submissions: Binding offers together with the Letters of Guarantee shall be submitted in sealed envelopes. Submissions shall be made in person or through a duly authorised agent.
6. Envelopes containing the binding offers shall be unsealed (successively as mentioned above, i.e. 1st Auction, 2nd Auction) by the above mentioned Notary Public in her office, on the 14th June 1993, at 14.00 hours. Any party having duly submitted a binding offer shall be entitled to attend and sign the deed attesting the unsealing of the binding offers.
7. As highest bidder shall be considered the participant, whose offer will be judged, by 51% of the Company's creditors (the "Creditors"), in their absolute discretion, upon suggestion of the liquidator, to be in the best interests of all of the creditors of the Company. Mention is made that for the purposes of evaluating an offer proposed to be paid in instalments, the present value thereof shall be taken into account, which shall be calculated on the basis of a discount interest at an annual rate of 22% compounded yearly.
8. The liquidator shall give written notice to the highest bidder to appear on the date and place mentioned therein and execute the contract of sale in accordance with the terms contained in his binding offer and/or any other improved terms, which may be suggested by the liquidator and agreed upon. Adjudication shall be deemed to take effect upon execution of the contract of sale.
9. All costs and expenses of any nature in respect of the participation and the transfer of the assets offered hereby for sale shall be exclusively borne by the participants and the purchaser respectively.
10. The liquidator and the Creditors shall have no liability nor obligation whatsoever towards the participants in relation to the evaluation of the offers or the appointment of the highest bidder or any decision to repeat or cancel the Auction or any decision whatsoever in connection with the proceedings of the Auction. The liquidator and the notary shall have no liability for any legal or actual defects of the assets. Submission of binding offers shall not create any right, power or claim from this invitation and/or their participation in the Auction against the liquidator and/or the Creditors for any reason whatsoever.
11. This invitation has been drafted in Greek and translated in English. In any event the Greek version shall prevail.

To obtain the Offering Memoranda and for any further information please apply to the Liquidator of the Company: "ETHNIKI KEPHALEOU S.A. Administration of Assets and Liabilities", address: 1, Skoulionou Street, 105 61 Athens Greece, tel.: +30-1-323.14.84, fax: +30-1-321.79.05 attention Mrs. Marika Frangaki.

## CONTRACTS &amp; TENDERS

## Treuhanderanstalt

The Treuhanderanstalt is offering the  
**Transportgummi GmbH**  
Rudolfstädter Strasse 23, O-6823 Bad Blankenburg  
in the German Federal State of Thuringia for sale.

Retention of current positions and creation of new jobs  
in addition to an investment guarantee are expected.

The company manufactures steel and fabric reinforced conveyor belts as well as V-belts, industrial hoses, lined and unlined rubber sheets, patching material, bonding material and rubber compounds.

The Hoesch steel reinforced conveyor belt plant, installed in 1990, is considered the most modern facility of its kind in Europe. All other machines are between 2 and 8 years old.

The company's V-belts and industrial hoses were tested as no-name products and were given the highest quality rating.

Positions to be retained: 250.

**Buildings and Grounds:**  
The company grounds cover an area totalling approx. 266,574 m<sup>2</sup>.

**Production areas (conveyor belts):**  
Reinforced concrete construction, built in 1980, 85,530 m<sup>2</sup>.

**Manufacturing areas (fan-belts/hoses):** 22,600 m<sup>2</sup>.

**Open areas and energy supply systems:** 70,515 m<sup>2</sup>.

**Empty production facilities (demolition planned):** 71,719 m<sup>2</sup>.

**Administration building/extension:**  
5-story/single story, built 1979/1987, usable space approx. 2,420/134 m<sup>2</sup>.

The company has an on-premises heating plant that runs on natural gas. The grounds are connected to the public electricity supply and have a source for industrial water.

**Location:**  
The company grounds are located directly on federal highway B 88, Rudolfstädter Strasse, at Bad Blankenburg's eastern outskirts. Deutsche Reichsbahn tracks run through the property providing rail access to the Berlin-Münich main line. The nearest airport is in Erfurt, about 80 km northwest of Bad Blankenburg. The distance to the Leipzig-Halle airport is 130 km.



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O-1080 Berlin  
Germany

## Contract for the collection and compilation of certain statistical returns from Local Authorities.

The Department of the Environment (DoE) is conducting a market test of the collection and compilation of certain statistical returns from Local Authorities. The requirement covers the provision of a range of services including: forms design, printing and despatch, data preparation, storage and manipulation, computer validation and the submission of data to the Department.

A Notice was placed with the EC on 10 May 1993 to appear in a subsequent Official Journal. Tenders will be sought from suitably qualified and experienced private sector organisations. The existing in-house team will also be invited to bid. The proposed contract term is 3 to 4 years commencing during the last quarter of 1993.

Organisations interested in tendering should have regard to the Notice in the Official Journal and respond by 17 June 1993. An Information Meeting is being held by the DoE on 4 June 1993 and organisations wishing to attend should contact Mr G A Points of the DoE's Market Testing Unit on 071 238 4440 (Fax 071 238 4460).

The Department of the Environment  
Lambeth Bridge House  
Albert Embankment, London SE1 7SB

## LEGAL NOTICES

IN THE MATTER OF THE COMPANIES ACT 1985  
NOTICE IS HEREBY GIVEN pursuant to Section 86(2) of the Insolvency Act 1986, that a meeting of the unsecured creditors of the above named company will be held at the office of Robert Rhodes, Centre City Tower, 7 Hill Street, Birmingham, B5 4UJ, on the 15th day of June 1993 at 11.00 o'clock in the forenoon, for the purpose of having laid before it a copy of the report prepared by the Administrative Receiver under section 48 of the said Act. The meeting may, if it thinks fit, establish a creditors' committee to exercise the functions conferred on it by or under the Act.

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## LEGAL NOTICES

NOTICE  
1992 Folio No. 3023  
In the High Court of Justice  
Queen's Bench Division  
Administrative Court  
Solely in "CLIPPER PRONER" and "WORLD HITACHI ZOESEN"  
Notice is hereby given to all persons with claims against the ship "CLIPPER PRONER" as Owners of the ship "CLIPPER PRONER" in respect of the collision between the "CLIPPER PRONER" and the "WORLD HITACHI ZOESEN" which occurred off the coast of Mauritania on 14th April 1992, that the Admiralty Action as the High Court of Justice Folio No. 3023 hereinafter referred to as the "CLIPPER PRONER" and the "WORLD HITACHI ZOESEN" SA as Owners of the ship "CLIPPER PRONER" and the "WORLD HITACHI ZOESEN" SA as Owners of the ship "WORLD HITACHI ZOESEN" and others, Defendants, a decree was made on 16th May 1993 limiting the liability of the Plaintiff in respect of all claims, other than loss of life or personal injury, arising out of the above collision to £1,250,000.00, which shall be paid by the Defendants to the Plaintiff on or before the 21st day of August 1993 for the filing of claims or the taking out of summonses to set aside the said decree.

E.T. ENGINEERING LIMITED  
(IN ADMINISTRATIVE RECEIVERSHIP)  
NOTICE IS HEREBY GIVEN pursuant to Section 86(2) of the Insolvency Act 1986, that a meeting of the unsecured creditors of the above named company will be held at the office of Robert Rhodes, Centre City Tower, 7 Hill Street, Birmingham, B5 4UJ, on the 15th day of June 1993 at 11.00 o'clock in the forenoon, for the purpose of having laid before it a copy of the report prepared by the Administrative Receiver under section 48 of the said Act. The meeting may, if it thinks fit, establish a creditors' committee to exercise the functions conferred on it by or under the Act.

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For further details contact the Joint Administrative Receiver: Peter Hall, Grant Thornton, 31 Charlton Crescent, Southampton, Hants, SO1 2EW. Tel: 0703 221231. Fax: 0703 330443.

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هكزامن الاصيل



## THE PROPERTY MARKET

# The end of the Georgian reign

James Buxton on the exodus of companies from Edinburgh's traditional business district

Charlotte Square in Edinburgh, as the firms which operate there like to boast, is the best business address in Europe. Yet many of its occupants are deserting it.

In the past 18 months the whole of the south side of the square has become vacant, there are empty buildings on both the east and west sides, and a building on the north side is for sale. As the for let signs proliferate, some people fear that parts of the square, designed by Robert Adam, may soon look tatty.

In one sense Charlotte Square is only the most spectacular victim of the downturn in the Edinburgh office property market which has left vacant about 200 Georgian houses used as offices throughout the city's New Town.

### Charlotte Square is the most spectacular victim of the downturn in Edinburgh

But Charlotte Square's plight is also the product of another trend which many people involved in the city's development regard positively: the expansion of the business district from the New Town out to Lothian Road to the south. Edinburgh's prime office district has traditionally comprised the dumbbell formed by Charlotte Square to the west and St Andrew Square to the east, connected by George Street. Most firms in the New Town occupy Georgian houses. In Charlotte Square the solicitors Dundas & Wilson until recently occupied five houses. The tightly enforced rules for grade A listed buildings meant that to install com-

puter wiring meant getting planning permission to drill holes in thick walls. But the area was prestigious and there was virtually nowhere nearby with good open-plan accommodation.

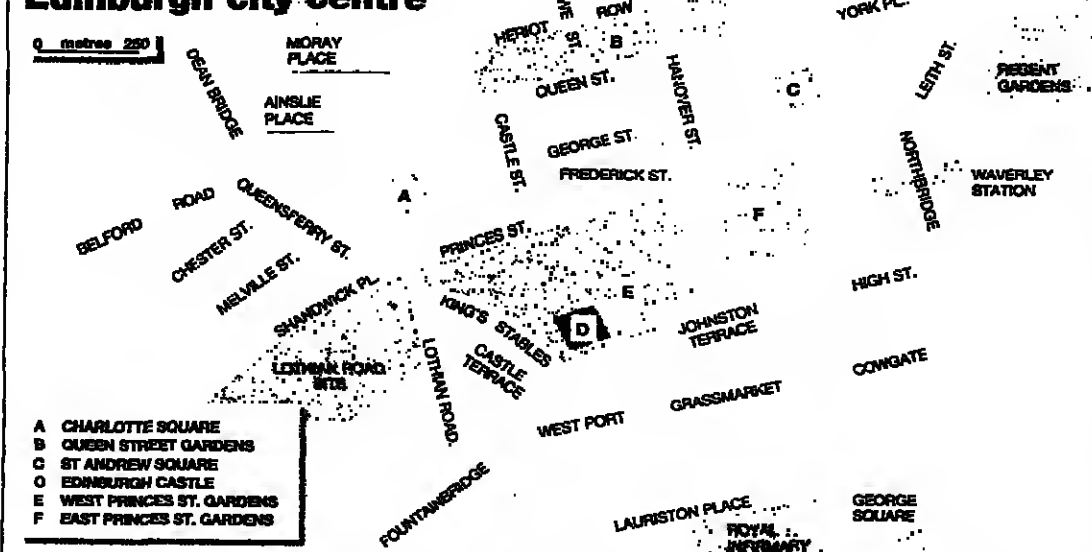
The constraints on development in the New Town, the slow process of getting planning permission and the lack of office space elsewhere meant that when businesses expanded in the late-1980s rents for the best office accommodation trebled from 27 per square foot in 1985 to £21 in 1989.

It was not until late 1991 that alternative accommodation attractive to Charlotte Square occupants became available, when Saltire Court, a high quality stone-faced office building in Castle Terrace off Lothian Road was completed.

Saltire Court went ahead after Edinburgh district council reversed years of opposition to fostering the financial sector, and released the site. The first occupants were Martin Currie and KPMG Peat Marwick from Charlotte Square, followed by Dundas & Wilson.

But Scottish Metropolitan, the developer, was unlucky by the time Saltire Court was finished the approaching recession made companies wary of moving, especially if they were unable to find tenants to take on their existing properties. (Some tenants of Saltire Court are still paying rent on their former

### Edinburgh city centre



properties, in addition to the headline rent of £22-23 per sq ft in the new building.

Only now, after solicitors Shepherd & Wedderburn decided in March to move from Charlotte Square, is 92 per cent of Saltire Court's 175,000 sq ft of office space let.

But people working in Saltire Court and other developments near

Lothian Road will still feel slightly out on a limb until a long-standing 10-acre site between the Caledonian Hotel and the Sheraton fills up. Progress there is at last being made, sufficient to allow Mr Jim McFarlane of Lothian and Edinburgh Enterprise (Leel), the local enterprise company, to claim that Edinburgh is "bucking the recession". Work began in January on a £36m

conference centre, designed by the post-modernist architect Terry Farrell and capable of holding 1,200 people, on a site on Morrison Street. The conference centre has long been considered the cornerstone to the development of the Lothian Road site. The council and Leel set up a company to build and run the conference centre and to develop the

rest of the site, after the original consortium of Sheraton Securities and Greycoat, which was to have developed the centre, collapsed.

That gave Standard Life, the Edinburgh-based life assurance company, the confidence to choose Lothian Road to accommodate its expansion. It should shortly get consent for a 270,000 sq ft office complex on a site which it will buy from the council and from Queens Moat, owner of the Caledonian Hotel.

Further south Scottish Widows is seeking planning permission for a new 800,000 sq ft headquarters on the 6.5-acre Port Hamilton site, which it would buy from the receivers of Ford Sellar Morris, another victim of the property collapse.

Meanwhile a joint venture between Cala and Morrison Group, both Scottish companies, says it will proceed with a 190,000 sq ft office building close to the conference centre. The consortium is confident of obtaining a pre-let before going ahead.

If all these schemes go ahead the central business district will have been extended southwards and the Lothian Road area will have become Edinburgh's main area for large city centre offices. But though Saltire Court has shown that Edinburgh firms can be tempted out of their Georgian splendour, some people doubt whether occupiers requir-

ing up to 30,000 sq ft of space will rush to abandon the New Town. Mr Peter Smolka of Hillier Parker points out that several offices with open-plan space are finished or under construction behind Georgian facades in the New Town.

"I'd say there are enough developments under construction to retain a lot of prospective tenants in the traditional core. Suddenly Edinburgh has become a city that offers a choice of accommodation," he says. Rents have come back to £16.

So where does this leave Charlotte Square? Mr Smolka believes the council will have to allow more alterations behind the facades if the exodus is to be halted. Significantly, Mr David Murray, a Scottish tycoon, recently obtained consent to redevelop the Roxburgh Hotel on the corner of the square, mainly as offices.

Mr Roy Durie of chartered surveyors Ryden says there are a number of smaller occupiers - "public relations companies, advertising agencies and professional firms" - which would dearly like a Charlotte Square address.

Jones Lang Wootton's Mr Irvine says: "I am not at all gloomy about Charlotte Square." Despite the attractions of open-plan offices, Georgian houses "work very well for businesses with up to 25 people."

But though sentiment in the market has begun improving, Mr Irvine says many businesses which would like to move are locked into long leases.

### Some 200 Georgian houses are vacant throughout the city's New Town



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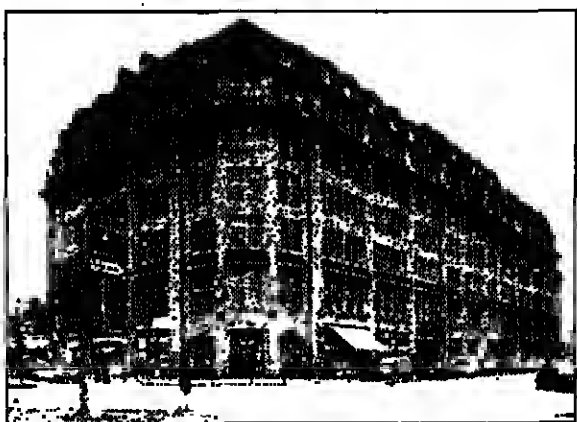
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## RECRUITMENT

## Adrian Furnham ponders the problems of management science

# Reaping the benefits of teamwork

NEARLY all of us work with other people. Most of us are interdependent in the sense that we have to help, support and reward each other at work. No one can whistle a symphony; it takes the team effort of an orchestra to play it. Whether we call them groups, sections, squads or teams, most of us realise how much our productivity and satisfaction is due to them. This pretty obvious point is now the latest management obsession.

Management science, if there can be such a thing, is notoriously faddish. Not long ago it was strategic planning that was the key to organisational success. Then it had to do with organization structure. After that the gurus said that once the corporate culture (another oxymoron) was right, El Dorado was just around the corner.

All these solve-all solutions have now reached their sell-by date. But there is, fortunately, a new solution to all the hard-

pressed manager's needs. Teamwork, it seems, will solve all your problems and lead to happy, healthy, productive workers. So business sections of books shops bulge with books, nearly always written by people called 'Chuck', 'Randy' or 'Ed', on teams and teamwork. They rejoice under crypto-sporting titles such as 'Team-Power', or 'How to be a team player', 'Winning Big'. Their message is simple: the power of the waterfall is nothing but a lot of drips working together. No matter how great a warrior he might be, a chief cannot do battle without his Indians.

What supporters of the team concept argue is this: bearing in mind that management is the art of getting things done through people, you need to let your people know what your goals are - what you want to accomplish, why you want to accomplish it, how they will benefit from it and the role they will play in accomplishing

it. This is another way of saying that the members of the management team must be able to identify themselves individually with the company's overall goals. No chief executive, no top management group ever reached these goals by themselves. Unless the entire management team is aboard, the company will never get there.

What has caused this explosion in restating the obvious? The answer is partly in the American fearful obsession with the Japanese, who are still perceived by the Pearl Harbour generation as mindless, but highly disciplined, killers. The post-war Japanese miracle has puzzled them, indeed terrified the Americans. What is the Japanese secret of success? Answer: teamwork.

The Japanese came from a collectivistic culture and hence naturally do things in groups or teams. We, in the Anglo-Saxon world come from an individualistic culture,

which selects for, rewards and values individual effort. No matter how much teamwork achieves in our culture, the results tend to get identified with a single name. We therefore have to endure various mildly humiliating training courses (many in the great outdoors) to encourage teamwork because it is not natural to us. While it is true that no member of a boat crew is praised for the individuality of rowing, this is an exception to the rule. The Japanese, I presume, don't feel obligated to attend individualism courses to learn how to "become their own person", "do things their own way". They are natural collectivistic team players.

This individualism in our culture runs deep. We are, however, loyal to some groups: usually those we have been forced to join, or with whom we have endured hardship and difficulty. The family, school class-mates, fellow military conscripts do often command

our loyalty. But, because we don't have jobs for life and find it easier to get promotion by moving between organizations, we rarely stay long enough in a team to be really part of it.

The life of a team goes through various stages: forming (the getting together); storming (arguing over who does what, who is leader, etc); norming (the acceptable explicit and implicit rules); performing (actually working well after the early stages have occurred). Teams also go through mourning when they break up. But all this takes time and many of us never really stay long enough in a particular team to appreciate its worth.

But how seriously do companies who have swallowed the team solution really take the idea? Yes, they talk it up, go on endless (and expensive) courses; even partly restructure sections into "new teams". Yet very, very few reward the team, rather than the individ-

ual. Most performance management systems (the euphemism for how pay is determined) are explicitly geared to the individual. Yes, team work in the sense of contribution to the team may be a criterion which is rated, but it is usually only one of many. Also, we rarely hire people with a team in mind or indeed hire whole teams.

Michael Winner got it right when he said: "Team effort is a lot of people doing what I say".

The team work philosophy of cooperation, interdependence and group loyalty in counter-cultural. Our business heroes are for the most part egocentric, rugged individuals, not team players. Team work may be a really good idea, but don't bluff yourself either that it is a total solution or that a couple of fuzzy warm courses will do the trick.

Adrian Furnham is Head of University College London's Business Psychology Unit.

## THE OLYMPIC CONTENDERS: MANCHESTER

The FT proposes to publish this survey on

23rd June 1993.

The FT prints simultaneously in five centres:- London, Roubaix, Frankfurt, New York and Tokyo and is circulated in 160 countries.

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West  
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West Merchant Bank is a member of the Westdeutsche Landesbank (Europa) AG group with offices in Germany, U.S.A. and Latin America. Its Forfaiting Division has proved very successful in the structuring and syndication of international trade finance products.

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The UBS Mergers & Acquisitions Department is seeking to recruit a specialist in the telecommunications industry. Prospective candidates must be of the very highest calibre with a minimum of five years experience working in or with major international companies in this sector. The individual concerned will be expected to have a university degree and MBA qualification, fluency in English and at least one other European language, work experience in Continental Europe and contacts at senior level in the telecommunications industry world-wide.

Please send career details to:  
Lorna McArthur, Personnel Manager,  
UBS Limited  
100 Liverpool Street  
London EC2M 2RH





# INVESTMENT OPPORTUNITY

## North American Equities

London Attractive salary + financial sector benefits

United Friendly Insurance is one of the UK's most successful insurance companies. Our established investment team currently manages assets in excess of £2 billion and, to maintain its superior investment performance, is looking for an additional member to join the North American team. Reporting directly to the Portfolio Manager, North America, you will assist in the management of the Equity Funds including sector strategy, stock analysis and share dealing.

This opportunity to develop a career in fund management will appeal to a computer-literate graduate who is IIMR-qualified and has a background in investment research and analysis. Knowledge of the North American market would be an advantage. Please send full career details, indicating current salary, to Ms Barbara Agyeman, Personnel Officer, United Friendly Insurance plc, 42 Southwark Bridge Road, London SE1 9HE.

United Friendly Insurance plc



## FIXED INCOME SALES

BNP Capital Markets (a wholly owned subsidiary of Banque Nationale de Paris) is currently expanding its Capital Market activities and is keen to recruit two multi-currently-fixed income salesmen to spearhead its penetration into large UK based financial institutions.

The ideal candidates will be aged 25-35 with at least 3 years experience selling multi-currency product to major institutional investors.

A competitive remuneration package with usual fringe benefits will be offered to the right candidates.

All applications will be treated in strict confidence and should be sent with a current C.V. addressed to:

Elizabeth Jennings  
Head of Human Resources  
BNP Capital Markets Ltd  
8-13 King William Street  
London EC4N 7DN

Fax: 071-548 9525



## Opportunity in Treasury Research/Dealing - Dublin

Salary IR£32k

Our client is an established treasury management company in the Dublin International Financial Centre. We have been retained to assist with the recruitment of a person to assist the Investment Manager.

The successful candidate will be responsible for corporate treasury research, the preparation of detailed reports and proposals on portfolio management strategies and assisting in the preparation of board presentations.

The person appointed, ideally aged between 27 and 31, will have an excellent academic track record in a business/finance discipline, together with a number of years experience in a treasury, investment or banking environment. Experience of dealing in Money, FX or Bond Markets would be a decided advantage. Excellent interpersonal and writing skills will be required.

An attractive remuneration package will apply to this position.

Candidates should write - in strictest confidence - enclosing a curriculum vitae and quoting reference number 93120 to:

**merc partners**

Recruitment & Human Resource Consultants

Brian G Ward  
Merc Partners  
Number Twelve  
Richview Office Park  
Clonskeagh  
Dublin 14  
Facsimile 353-1-2830550

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QUICK EUROPE LIMITED is one of the world's leading providers of information services to the financial community.

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In return, we can offer career development opportunities in a dynamic environment, a very competitive salary and incentives package and a comprehensive range of benefits.

Please apply to Philip Bryett, Personnel Manager, sending a c.v. or requesting an application form, to QUICK EUROPE Ltd, 65 Clifton Street, London EC2A 4JE.  
(Fax: 071-377 2209)



## OTC BOND OPTIONS BROKER

Our client, a leading Cash and Derivative Brokerage Company, are currently seeking an OTC Bond Options Broker for their London Office.

The ideal candidate will have experience in bond derivatives, financial futures and warrants and will be educated to degree level. Candidates will also possess good interpersonal skills, be a good communicator and computer literate.

The successful candidate will work with an established, highly respected international team and will be expected to establish and develop a client base in Switzerland and Austria.

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Frankfurt

Citibank is one of the world's top Foreign Exchange banks with a leading franchise in Europe. We are looking to build on this success by expanding our Frankfurt based foreign exchange dealing team.

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For these positions, two European languages are a prerequisite. German language skills will be useful but are not essential.

All positions carry highly competitive salaries, together with an excellent benefits package.

To apply, please write, enclosing your CV and salary details to Corinne Long, Human Resources Manager, Citibank, PO BOX 242, 336 Strand, London WC2R 1LS, or Bruno Arnold, Human Resources Manager, Citibank AG, PO Box 110333, 6000 Frankfurt am Main, Germany.



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Please call Ron Bradley on 071-623 1266

Jonathan Wren & Co. Limited, Financial Recruitment Consultants  
No. 1 New Street, London EC2M 4TP Telephone 071-623 1266 Facsimile 071-626 8259

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CITY BASED

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### MAJOR INTERNATIONAL FINANCIAL INSTITUTION

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Applications, quoting current remuneration, should be sent to: Campbell-Johnston Recruitment Advertising, 2 London Wall Buildings, London Wall, London EC2M 5PP (reference IM24756/FT). All applications will be forwarded unopened to our client unless you list companies to which they should not be sent in a covering letter marked to the attention of the Security Manager.

Closing date for replies - 4th June 1993.  
Shortlisted candidates will be notified by 11th June 1993

## HEAD OF CREDIT

The London-based associate of a major banking institution seeks a Credit Manager, with at least 6 years experience as head of an international credit department.

Success in the role demands proven experience of managing people, credit policies and international risk exposure of over \$3 billion.

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Salary AAE, detailed C.V. to reference 138, P.O. Box 1054, Bristol BS99 1YG.

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### Excellent Package

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You must be fluent in English and Italian; ideally a graduate in your mid to late 20s with 3 years related experience. Presentation and negotiation skills of a high level will be necessary.

For a confidential discussion please contact Nigel Haworth or Tim Sheffield. Telephone: 071-236 2400/Fax: 071-236 0316 or apply in writing to Sheffield-Haworth Limited, Prince Rupert House, 64 Queen Street, London EC4R 1AD.

**SHEFFIELD-HAWORTH**

Consultants in Search and Selection

## TRAINEE DERIVATIVES TRADER

Cooper Neff & Associates (UK), a leading financial Options Market Making firm, seeks applicants for positions on London's International Financial Futures Exchange. Candidates must be University qualified, Numerate, Highly motivated and disciplined for this demanding environment. Send all enquiries to: M. Bushore, 1-3 College Hill, LONDON EC4 2RA.

## APPOINTMENTS WANTED

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The successful applicant will be responsible for marketing foreign exchange products to Northern American fund managers and must have extensive knowledge of the US markets as well as strong institutional contacts. He/she will need to demonstrate not only experience of spot and forward foreign exchange but also the ability to devise and sell strategies in derivative products.

Applications in confidence under reference FES24672/FT will be forwarded to our client unless you notify our Security Manager in a covering letter of companies to whom your details should not be sent.

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2 London Wall Buildings, London Wall, London EC2M 5PP

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Bilingue anglais. Disponible, organisé, rigoureux, vous avez le sens du contact et des responsabilités. Merci d'adresser lettre manuscrite, CV, photo et salaire souhaité sous réf. 37350/FN à HCA, 10 rue du plaisir, F-75004 Paris, qui transmettra.

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City

An urgent need has arisen for a key individual to join the London securities subsidiary of a leading Japanese bank. The successful candidate will work as part of a small team focusing on the Japanese and U.S. economies.

You will be responsible for reviewing the U.S. economy and dollar bond markets, providing detailed reports, analysing trends and making recommendations to the sales force, traders and capital markets staff.

The ideal candidate will be a graduate with a minimum of two years' experience of short-term forecasting.

### Excellent Package

probably gained within a leading securities house or fund management group. Current experience of the U.S. economy, a high level of computer literacy and the ability to communicate effectively under pressure are prerequisites.

This position represents an excellent career opportunity and candidates who feel that they have the right background for this challenging position should telephone Jonathan Cohen or Martyn Smith on 071-413 0972 or send a detailed Curriculum Vitae to the address below.

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LONDON PARIS



Tel: 071-413 0972  
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MADRID



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Interviews will be conducted during the week commencing 31st May, 1993.

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1 x USD FRAs	£80-100,000
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Please contact Jan Perrin  
on 071-623 1266.

Jonathan Wren & Co. Limited, Financial Recruitment Consultants  
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JONATHAN WREN

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### TRADING CONTROL £25-30,000

Small successful Int'l Capital Markets group seeks a young ambitious professional with exp in Trading Control in Int'l Bonds/Equities. Experience must include reporting, P&L, Balance Sheet, SFA fin. reg. combined with excellent computer literacy. Please call Alex Butterworth for more information.

071 255 1555

RECRUITMENT CONSULTANTS

### REUTER DEALER OPERATORS

We are a leading firm of Foreign Exchange brokers based in the City and are currently looking for Reuter Dealer Operators. Applicants should be used to working under pressure and have at least 3 years experience using a reuter machine in an FX dealing room environment. Salary a.a.e. + full company benefits. Please apply in writing enclosing a current CV to: Box 81066, Financial Times, One Southwark Bridge, London SE1 9HL.

### APPOINTMENTS WANTED

### Construction Project Manager Construction Company Techn. Director Buildings + Grounds Administrator

Master of Science in Architectural Engineering (Dip.Eng. + BS, Civil Engineering, fluent in German + English, metric + inch, DIN + BOCA USA). Resourceful + Innovative + Creative. 16 yrs. in Germany + 20 yrs. in USA. Hands-on experience in A+E Design, Cost Estimating, Scheduling + Construction Management of Detention Centres + Prisons, Industrial + Processing Plants, Educational + Health Care + Science Facilities, Security + Utility + Computer Systems, Economic Research, Market Analysis, Project Viability + Feasibility Studies. Ready to take on Challenging Responsibility for US\$50M-\$500M Turn-Key Construction Project in the Americas + West/East Europe + Russia + Asia. Principals mail description of project and position to: Eric Graetz, 922 - 24th Street, Washington, DC 20037 - 2234 USA. TELEPHONE: 202-337-7900 FAX: 202-333-0033

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As a result of a dramatic growth in its client base, the company seeks a Marketing Manager to bring a sharper focus to future marketing strategy.

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For a confidential discussion, please telephone or write to Robin Douglas, at the address below, quoting reference 943.

ROBIN DOUGLAS  
ASSOCIATES  
100, Southwark Bridge, London SE1 9HL

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071-377 6488

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ENEG

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Numerous opportunities with top City banks for candidates with established client bases in any of the following locations: UK, GERMANY, ITALY, FRANCE, BENELUX, SWITZERLAND, SCANDINAVIA, etc. Extensive product knowledge essential - a foreign language ability can be advantageous. Please call Andrew Stone.

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Also see our advertisement on Reader Page Code L071.

For further details please call on 071-377 6488 or send/fax your CV to us.

All applications are treated in the strictest confidence. For enquiries outside business hours call 081-364 1633.

CAMBRIDGE APPOINTMENTS

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Excellent career potential internationally as the bank refocuses its securities business



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CITY OF LONDON

OUTSTANDING PACKAGE

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## SENIOR CORPORATE DEALER

As a leading international bank committed to providing top quality treasury support for our global customers we are seeking to strengthen the corporate dealing capability of our foreign exchange group by the addition of one professional senior dealer.

The successful candidate will be a self starter, able to maintain and develop new business relationships in corporate treasury products, with at least 3 years' experience in this particular sector. In return we offer a generous remuneration and benefits package to match this important position.



FUJI BANK

Tokyo, Japan

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### APPOINTMENTS WANTED

### General Management / focus sales

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## European Sales Executive

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### Paris

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The successful candidate will require a minimum of 3 years sales experience in the computer industry with a good track record in Unix and ideally Apple markets. Fluency in English and French are prerequisites and a third European language would be a distinct advantage. He or she will

show a high degree of initiative for this autonomous position. Reporting to the Director of European Sales, your responsibilities will be to manage and motivate the existing distribution network whilst focusing on penetrating new corporate accounts. Where necessary you will be required to recruit additional distributors.

This is an excellent opportunity to progress an already dominant company further into Europe. The rewards for rising to this challenge are only limited by your own ability. If you believe you have the drive and experience to make your mark with Insignt, please forward your CV, including salary details and a daytime contact number to Kelvin Thompson at Harvey Nash, quoting Ref: HN773. Interviews will take place in Paris.

HARVEY NASH PLC

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ARMSTRONG INTERNATIONAL



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Global Investment company based in Jeddah, Saudi Arabia requires high level financial professional; **MBA**, **CPA**, **CFA** or **CA** designation; minimum 5 years controllership experience with a financial institution; extensive MIS experience International/Offshore taxation & operations experience; Offshore corporate legal background. Prepare financial reports for management on scheduled basis; Consolidate multiple financial entities; perform all accounting for joint venture agreements, partnerships; Position will be based in Jeddah, Saudi Arabia. Excellent salary and benefits. Interviews will be conducted at a mutually convenient location.

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Rec Case

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Experienced individual sought as Chief Financial Officer for new London office of highly capitalised, international derivatives trading/market-making firm. Exceptional regulatory/compliance knowledge, ability to build back-office team a must.

Send resume, compensation history in strict confidence to Box B1007 Financial Times  
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London SE1 9HL



## ACCOUNTANCY COLUMN

## Time to ask who should audit the government's auditors

Mary Bowerman argues the case for independent scrutiny of the UK's two public watchdogs

A DECADE after the creation of the Audit Commission and the National Audit Office, the UK's two public audit watchdogs have clearly proved their worth. But the time has come to question who audits the auditors themselves.

The National Audit Office and the Audit Commission audit the majority of public bodies, with a remit to report on value for money and the figures in the accounts. They are sometimes the taxpayer's only "foot in the door" of non-elected bodies such as the regional health authorities. Their contribution to improving public sector management is widely acknowledged, while the savings they identify more than cover their costs.

The Audit Commission was established in 1983 and is responsible for co-ordinating the audits of and promoting value for money in local authorities. In 1980 its duties were extended to include the National Health Service, bringing the total level of expenditure under its scrutiny to around £90bn. Some 70 per cent of its audits are undertaken by the commission's own staff and the remainder by selected private sector accounting firms it appoints.

The National Audit Office was established in 1984. It audits the accounts of central government departments and many other public agencies. It also has the power to carry out value for money audits of these and other public bodies, such as universities. The total amount under scrutiny is £450bn.

The Audit Commission has been instrumental in causing change in the way local government and latterly the NHS use their resources. It uses a

comparative approach to identify best practice which forms the basis of its recommendations to all authorities. A recent report showed that £15m could be saved if hospitals mended leaking pipes and used water more efficiently. Another on public libraries showed the cost of issuing a book is £6 at the most inefficient libraries.

The National Audit Office also has an impressive record in raising issues ranging from how the Ministry of Defence could save £30m by better utilisation of its housing stock, through to questioning the effectiveness of cervical and breast screening. A timely report issued just after the Windsor Castle fire revealed that inadequate fire safety standards in government buildings had already resulted in losses of £8m and has caused the Houses of Parliament to be refused a fire certificate since 1979.

Most of the National Audit Office reports are presented to parliament through the Public Accounts Committee and are used to call to account the senior civil servants responsible. Occasional television glimpses of these officials squirming under interrogation can give a curious satisfaction and sense of retribution. Realists can read the full transcripts published a few months later.

But who audits the auditors? Are our auditors performing their role effectively? Amid the hundreds of value for money reports published over the last 10 years, covering thousands of public sector activities, not one is an independent review of the performance of the public sector auditors.

While they have been expanding the scope and improving the standards of public audit practice, the

auditors themselves are still audited to only a rudimentary, traditional level. The National Audit Office is auditor to the Audit Commission and has the right to undertake a value for money audit, but has never done so.

The two bodies need to liaise closely in some areas of their work. This appears a rather incestuous relationship. A close scrutiny of the Audit Commission by the National Audit Office would be likely to cause some embarrassment on both sides.

The National Audit Office's own affairs are subject to more stringent scrutiny. Its annual budget must be approved on behalf of parliament by the Public Accounts Committee - a committee of MPs.

The Public Accounts Committee also questions the head of the National Audit Office about planned expenditure and activities. Minutes of these discussions are published but some of the more sensitive issues, such as proposed pay levels and problems with office relocation, are censored.

A private firm of accountants - currently Clark Whitehill - audits the National Audit Office and has undertaken some value for money reviews on topics such as recruitment, training and accommodation. The results are passed on to the Public Accounts Committee. But they have never been made available to the public.

An open and independent appraisal might allay the concerns of critics over a range of important issues.

Is the mix of staff appropriate? Auditors, mainly with a background in professional accounting, are examining issues ranging from medical

procedures to road building. The US government auditors, by contrast, are drawn from a wide range of professions.

● Is productivity sufficiently high? The number of Audit Commission reports on value for money in local government fell from 19 to 12 between 1990 and 1991. In 1991 it managed to deliver just 49 per cent of audit opinions on local authority financial statements within two months of publication deadlines, while its fee rates rose by 6.7 per cent - compared with inflation of 4.1 per cent. In the same year, the National Audit Office spent only 50 per cent of its budget on direct work on investigations. The rest went on overheads.

● Should more audit and value for money projects be contracted out? While the rest of the public sector has been exposed to competition, the National Audit Office spends just 5 per cent of its expenditure on contracted services. The Audit Commission has always placed 30 per cent of audits with private sector firms. This proportion has been static since 1983.

● Is more attention paid to efficiency than effectiveness? Both sets of auditors are constrained in the extent to which they can question policy. This means that some of the really interesting questions are never posed.

● Is audit coverage sufficiently integrated in programmes run through different agencies? For example, how well do the auditors work together to assess the impact of policies such as the development of a national curriculum imposed by central government but implemented by local government and grant-maintained schools?

The two audit bodies are, of course,

experts in giving advice on the use of resources, and they apply much of this knowledge to their own organisations. The National Audit Office has a comprehensive resource management system that feeds into a five-year corporate plan. This is published annually and discussed by the Public Accounts Committee.

The Audit Commission has given its own - mainly glowing - assessment of the impact of each of its publications since 1983 in "How effective is the Audit Commission?" It has recently invited comment on its new strategy document "Adding Value".

Both bodies have well-established quality-control procedures and both publish annual reports which include performance indicators such as cost, the number of accounts audited, the number of recommendations agreed to, and an estimate of the value of savings identified.

This record of accountability is impressive compared with many other public bodies. But it is internally driven. While the National Audit Office and the Audit Commission have *carte blanche* to review and report on most of the public sector, it does seem anomalous that they alone should escape independent public scrutiny.

An independent body with an overview of both organisations would be the ideal remedy. But there is no obvious candidate and this would require a change in legislation. At a minimum the auditors should be subject to periodic performance audits, with the results in the public domain.

Mary Bowerman is lecturer in public sector accounting at the University of Hull.

FINANCIAL TIMES FRIDAY MAY 21 1993

## COMPANY SECRETARY

Construction Materials Midlands £35,000 neg

Our client is a key supplier to the building industry. Impending retirement creates a need for a young (30's) talented graduate or qualified company secretary to join this multi-site UK operation. Ideally, you will already have statutory compliance responsibilities plus some experience of real estate, insurance and corporate pension schemes to augment general secretarial duties. Some legal involvement and experience of a non-UK parent company would be a great advantage.

The challenging management environment should appeal to decisive but flexible practitioners who are technically sound, commercially aware and seeking increased responsibility and involvement.

Strongly motivated individuals with high energy levels should apply in writing with concise personal details to the company's selection advisors: Mandate Consultants Ltd (Ref 717), 109 Jermyn Street, London SW1Y 6HB.

MANDATE



Financial Controller c. £30k + benefits

Radic Micro Devices plc The Portable Systems People

The Radic Corporation is an international, San Jose City based manufacturer of handheld computers and portable printers with customers in over 50 countries.

To meet the criteria for this position you must be Qualified, i.e. ACA, CIMA or equivalent. Experience/Ability: Focus is on general accounting, electronic manufacturing and foreign sales. Able to install, procure, train users on integrated manufacturing/accounting system (Micro-Orion package). Strong understanding of standard cost system, inventory control and job cost analysis. Experienced in handling export documentation, foreign letters of credit, customs requirements, etc. Can meet deadlines for corporate reporting, including budgets, monthly financial package, special reports, as well as audit and statutory reporting requirements. Possesses supervisory skills; good communication, leadership and team building qualities.

Interested candidates should send a full curriculum vitae with details of current salary, employment references and availability to: Don Marquette, Radic Micro Devices plc, 3 Chiswick Drive, Wymshurst, Milton Keynes MK9 5DA, Tel: 0208 568192 Fax: 0208 561401

## Assistant Treasurer

Major Retail Group

c.£45,000 + Benefits

London

Challenge for a young finance professional with outstanding analytical skills to build a career in corporate Treasury. Ability more important than experience.

## THE COMPANY

- Multi-billion pound turnover international retail group.
- One of Britain's most respected companies. Unbroken record of growth.
- Very lean head office with emphasis on exceptional management quality.

## THE POSITION

- Control Treasury accounting and operations and manage interest and currency risks.
- Evaluate and negotiate creative funding and investment opportunities.
- Identify market opportunities through close monitoring of the yield curve and the application of financial engineering.

## QUALIFICATIONS

- Highest calibre young professional, ambitious to be a Group Treasurer by mid-30's.
- Ability to analyse and model complex tax and risk management structures.
- Superb academic record, ideally Chartered Accountant and AGT (Dip). Appreciation of tax issues and use of derivatives.
- Decisive, un-bureaucratic, with sense of humour, high work rate and drive.

Please reply in writing, enclosing full cv. Reference BM1880 54 Jermyn Street, London SW1Y 6LX

## N.B. SELECTION LTD

A Norman Broadbent International associated company

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Aberdeen 0224 636080 • Slough 0753 815227  
Birmingham 021 233 4636 • Manchester 0625 359553

## FINANCE DIRECTOR

BOARD-LEVEL FINANCIAL MANAGEMENT ROLE WITH A MAJOR ENGINEERING DIVISION

Based West London c.£50,000 + car + benefits

Our client, part of a highly respected and successful European construction group, is currently seeking a Finance Director for its c.£100m-turnover engineering division.

In this newly-created board appointment, you will be responsible to the divisional managing director for the financial management of the division's four operating companies. Your challenge will be to develop broad financial strategy and integrate financial control and management information systems across the division.

A qualified accountant (ACA, ACMA or ACCA), you will probably already be operating at board level and have at

least 10 years' financial management experience, some of which must have been gained with a large group. Experience of the construction/contracting industry is essential. Knowledge of implementing IT systems and consolidating and streamlining multi-company accounting systems is particularly important. This is clearly a high-profile role which calls for strong interpersonal skills and commanding presence.

The salary, which reflects the importance attached to this position, is supported by a comprehensive range of benefits including executive car, contributory pension scheme, and private health cover.

Please send a full cv which will be forwarded to our client unopened. Address to the Security Manager if listing companies to which it should not be sent. Ref: H7041/FT, PA Consulting Group, Advertising and Communications, 123 Buckingham Palace Road, London SW1W 9SR.

PA Consulting Group

Creating Business Advantage

Executive Recruitment • Human Resources Consultancy • Advertising and Communications

## KINGFISHER

Corporate Auditors

## CENTRAL LONDON

This highly profitable and expanding retail group which includes such household names as Woolworths, Superdrug, Comet and B & Q is looking for three auditors to add to its newly formed Corporate Audit department. The department will provide assurance to the board on the adequacy of commercial and financial control systems. The roles are London based involving travel to locations in and around the UK, with the possibility of European travel in the future.

The ideal candidates will be graduates in their mid to late 20's, hold a professional accountancy qualification (ACA, ACMA, ACCA), and have experience in either internal or external audit, including computerised environments.

The ability to work unsupervised and to play an active part in formulating and developing a successful audit plan is essential. Successful recruits will also have

excellent communication skills; being able to present findings at all levels, both in written form and orally. Emphasis will also be placed on the potential candidates' ability to pass on skills where necessary.

A hands on, "no nonsense" approach, proof of the required communication skills and an appreciation of the commercial impact of any findings, must accompany a good academic record.

Opportunities within the Group are outstanding. Kingfisher is committed to a policy of career development and successful candidates can expect promotion within 3 years.

For further information, please contact Lucy Bennett or Mark Gilbert ACA on 071 404 3155. Alternatively write, giving brief details, to the address below. All enquiries will, of course, be treated in the strictest confidence.

Alderwick Peachell

Alderwick Peachell & Partners Limited, Recruitment Consultants, 125 High Holborn, London WC1V 6QA. Tel: 071-404 3155. Fax: 071-404 0140.

## Group Finance Director

## Herts

£Neg + Car

Our client is a well respected, growth oriented car hire company. Their UK headquarters is based within easy access of London and the Northern home counties.

The company is currently in an exciting stage of development and future plans demand the recruitment of a technically proficient and commercially astute Finance Director. The successful candidate will work with the established senior management team to achieve the company's ambitious corporate goals in the UK and internationally.

Reporting to the Managing Director you will have significant input into further development and implementation of the business strategy, whilst ensuring that the group accounting, finance and company secretarial functions operate effectively.

You will be a qualified accountant with a proven record of achievement in a commercial environment and you will be looking for a role in a successful organisation that nurtures ambition, commitment and the need to win.

In the first instance, please contact Helen Isaac or Chris Denington at International House, 7 High Street, Ealing, London W5 5DB. Alternatively, call them on 081 566 5900.

Grant Thornton

MANAGEMENT CONSULTANTS

The UK member firm of Grant Thornton International

## SPALDING

c £35,000 + CAR

## Finance Director

This £5 million turnover, privately owned business is one of the UK's leading suppliers of bulbs and plants direct to the public by mail order. It also has significant business supplying major retail chains.

As their first Finance Director you will be expected to bring the depth of light financial control and discipline necessary to allow the business to stabilise and move forward in these difficult trading conditions. There will be strong emphasis on systems development, costing, pricing, stock and cash control.

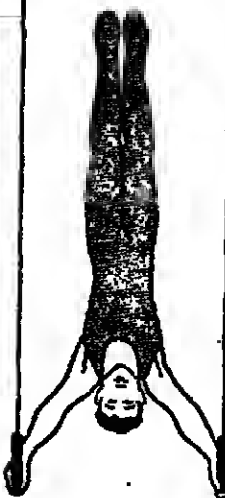
A qualified accountant, you will have good all-round financial management strengths with particular abilities in systems, planning, budgeting and cash control. Sound

commercial commonsense and the ability to make a wide contribution beyond pure financial parameters is essential. You must be analytical and at ease in a small company culture whilst implementing larger company disciplines.

Please send full personal and career details, including current remuneration level and daytime telephone number, in confidence to John Elliot, Coopers & Lybrand Executive Resourcing Limited, 43 Temple Row, Birmingham B2 5JT quoting reference JE246 on both envelope and letter.

Coopers &amp; Lybrand Executive Resourcing

## BALANCING IN A GOOD CAUSE



## PART-TIME FINANCIAL CONTROLLER FOR HOMELESS INTERNATIONAL COVENTRY

Homeless International is an agency which supports social housing projects in the most deprived areas of the world. As we grow, the need is for skills that we cannot afford to purchase at the market rate. If you are an experienced financial manager with a good general knowledge of government, legal issues and general management, we offer job satisfaction, moderate remuneration, flexible working hours and the opportunity to join a worthwhile financial circus.

Information and application forms: Homeless International, 5 The Butts, Coventry CV1 3GH. Tel: (0203) 632802. Fax: (0203) 632911.

## GENERAL MANAGER

FINANCE &amp; ADMINISTRATION

AGE: 40+ SALARY: £25-30,000  
LOCATIONS: CHICAGO & HONG KONG

We are an international leader in the field of Corporate Event Management employing over 250 professionals in nine offices worldwide.

Due to the Company's expansion we are seeking to appoint two individuals to head up the Finance/Administration functions in our Chicago and Hong Kong offices.

We are seeking a mature Manager with in-depth experience of General Management beyond purely the Finance and Administrative function, preferably within a sales orientated company.

The successful applicant will take a hands-on approach to all administrative functions and possess negotiating and leadership qualities as well as the general management skills required by a senior member of the management team.

Please send your C.V. in strict confidence quoting reference C.M.1 to:

The Human Resources Director, 48/47 Pall Mall, London SW1Y 5JG



## EUROPEAN AUDIT MANAGER

ACA/FCA

Midlands Based

Circa £40,000

This \$5 billion turnover international manufacturing and distribution organization operating in 27 countries has recently reported outstanding sales and profit growth. A worldwide leader in its field, it manufactures and markets vehicular and industrial components for original equipment and replacement parts markets.

Reporting to the Vice President of Worldwide Audit, this newly created senior position will have responsibility for performing financial and operational control audits and special projects in the UK and Continental Europe. Prior experience of

recruiting, managing and motivating professional staff would be advantageous.

The successful candidate must possess a thorough knowledge of the manufacturing/distribution industry preferably with an international perspective. As a Chartered Accountant, you will demonstrate strong financial accounting skills and experience of conducting due diligence and post acquisition reviews. Strong analysis and programme evaluation skills are essential. In addition, the individual must be able to command the respect of Finance Directors and team members in the field.

The global spread of activities will require this individual to undertake a considerable degree of international travel. Knowledge of an additional European language is a must. The Group's strategy of continued growth along with planned acquisitions ensures that opportunities for promotion to financial management positions will continue to occur. Interested applicants should telephone Jacques Police on 071-379 3333 (fax 071-915 8714) or write enclosing career details to Robert Walters Associates, 25 Bedford Street, London WC2E 9HP.

ROBERT WALTERS ASSOCIATES

LONDON WINDSOR BIRMINGHAM BRUSSELS AMSTERDAM PARIS

## FINANCE DIRECTOR

Aberdeen

c. £35,000 + Car

+ Substantial Profit Related Bonus

Hall & Tawse Scotland Ltd is one of Scotland's leading construction companies with over 1,000 employees and a turnover of £70 m. The head office is based in Aberdeen and the company has a regional office in Glasgow and operational offices in Broxburn, Perth, Elgin and Fraserburgh. The company is part of Raine plc, who were recently listed in the top ten construction groups in the UK.

### The Role

Responsible to the Managing Director of Hall & Tawse Scotland Ltd for the financial management of the company.

Expected to contribute actively to the commercial management and strategic development of the business throughout Scotland.

### The Qualification

A qualified accountant aged 35 to 45 preferably with construction industry experience and a proven record of success at board level.



**HALL & TAWSE**

A Subsidiary of Raine Plc

Please reply enclosing full CV to: Mr Iain Moir, ASA International Limited, 498 Union Street, Aberdeen AB11 1TS. Tel: 0224 848062

## Chief Internal Auditor

c.£40,000

North Kent

## business focused strategic role

Black Horse Financial Services is one of the country's fastest growing financial services groups. Operating within a highly competitive marketplace, we have both the vision and the commitment to quality products and services to maintain the energetic pace of growth that has been our success for almost a decade.

In an environment which is traditionally exposed to fraud and risk, your role is to develop and direct the strategy of a department key in protecting our assets. As such, you will be responsible directly to the Finance Director for the audit policy of the company across all divisions and functions.

Able to take a wider, business focused view of our operations, you will appreciate the impact of your recommendations across the company and will possess the communication skills necessary to gain acceptance. Such a high profile 'consultancy' role will, of course, have an impact on our business policy and overall strategy.

With substantial internal audit experience in the financial services sector and a relevant business degree, your management ability is well defined. In addition, you have developed a thorough working knowledge of financial business systems and related internal, control and resource management.

Naturally, your highly professional approach includes demonstrable leadership and motivational skills and the ability to adjust your style to the appropriate audience. Good analysis and judgement skills are essential as is the ability to be decisive and take ownership for your actions accordingly.

We offer a benefits package that includes an attractive salary along with an excellent company pension scheme, and performance related pay reviews.

If you can deliver results at a strategic level, please write with full CV and covering letter outlining your current salary and achievements to: Catherine Farrar, Senior Personnel Officer, Black Horse Financial Services, Mountbatten House, Chatham, Kent ME4 4JF. Tel: 0634 836449.



**Black Horse Financial Services**

## Director of Finance & Administration

An exceptional opportunity to play a key role in a successful City law firm

City

c£100,000 + benefits

Following a major structural and strategic review, our client, a highly successful international law firm now wishes to appoint an outstanding individual to the post of Director of Finance and Administration.

The post is exceptional in that it will require a wide range of skills, experience and confidence on the part of the individual as well as energy and drive. The appointed candidate will report to the Chief Executive and will be a member of the Partnership Council. He or she will have responsibility for providing clear management data, a coherent financial strategy and first class day-to-day administration for the firm as a whole. This will involve overseeing a workforce of around 100 people involved in facilities management, IT, finance and accounts plus close liaison with the partners and fee-earners.

As this is a new role the challenges cannot be underestimated. Successful candidates are likely to be graduate chartered accountants who can already demonstrate achievement as a Finance/Administration Director in the services sector. Experience of working for a professional partnership would be regarded as a plus and a strong "hands-on" IT background is essential.

Candidates are likely to be high achievers who have enjoyed success early in their careers, possess excellent interpersonal skills and can influence and persuade at the highest levels.

Interested candidates should write enclosing full career and salary details to Anna Ponton, quoting reference J0752.



**Selection & Search**

1-2 Dorset Rise, Blackfriars, London EC4Y 8AE

## Group Financial Controller

Director designate

c£50,000 + car

West Country

Our client is a leading book manufacturer with expanding markets both in the UK and overseas. Turnover of the privately-owned group is over £25 million with much of the profit reinvested in new plant and machinery.

Responsibility will be for all aspects of the finance function of group companies. You will also be a member of the board of the major subsidiary. Additional responsibilities and promotion to the Group Board are envisaged later this year.

The role is operationally 'hands on' but with a strategic content. You will also be Company Secretary and have responsibility for associated company matters. A key objective will be to provide more 'user friendly' support to line management.

A qualified accountant in your thirties or early forties, you will almost certainly have gained much of your experience in a manufacturing business, probably small or medium-sized and possibly privately owned.

A sociable out-going personality, with the energy and enthusiasm to work effectively with a young, successful and highly-committed management team, is essential.

Prospects for the future in this forward-looking and expanding group are exciting.

Please write - in confidence - to Brian Woodrow, quoting ref A21710, MSL Group Limited, 32 Aybrook Street, London W1M 3JL.

**MSL International**  
CONSULTANTS IN SEARCH AND SELECTION

## GROUP TAXATION MANAGER

Candidates should have wide experience of acquisitions/divestments and transfer pricing as well as corporation tax, VAT and income tax. The ability to communicate complex issues clearly is desirable.

The rewards for the successful candidate include a highly competitive salary, commensurate with the position's seniority and responsibility. We are also offering a company car, contributory pension scheme and other benefits associated with a large progressive organisation. Relocation expenses are available.

If you believe you have the depth of experience and this is the challenge you are seeking, please write in strictest confidence with full c.v. and details of current remuneration package to Mr Stuart Roberts, Group Personnel, 11th Floor, The Littlewoods Organisation plc, 100 Old Hall Street, Liverpool L70 1AB.

**Littlewoods ORGANISATION PLC**  
We are an equal opportunity employer

## FINANCIAL ANALYST

Our Client, one of the fastest growing companies in Europe, is a highly prestigious blue chip leader in the telecommunications industry. Substantial investment - in the latest technology, and the best people - will ensure that they continue to build on their outstanding achievements to date. This company recognises the importance of controlling and sustaining growth through in-depth commercial analysis and careful financial planning.

An opportunity exists to work within financial planning and analysis and join a team of dedicated specialists responsible for maximising profit opportunities. We're looking for an individual who is strong on analysis and evaluation; a commercial problem solver with good communication skills, who will provide support in a whole range of areas, including performance management, service and product forecasting, investment appraisal, competitive advantage analysis and the development of service level agreements. Ideally, you will be a qualified Accountant with at least 2 years' post qualification experience, gained in a large corporate commercial environment.

So if you have the energy, flair and commitment to make a positive contribution to the future of this company, its success story could be yours. Our Client offers real job satisfaction, a commitment to personal and professional development and a full range of large company benefits.

Please apply directly to Shelly Mallett or Charles Maceod at Robert Half, Walter House, 418 The Strand, London WC2R 0PT. Telephone: 071-836 7545. Alternatively, fax your details on 071-836 4942.

c£27-30,000 + Car

Milton Keynes

**ROBERT HALF**  
THE HUMAN FACTOR

### DERIVATIVES ANALYST

£35,000 + Bank Benefits

Major International Bank

- Qualified Accountant
- Aged 27 - 32
- Minimum 2 years Derivatives experience
- Strong Maths background
- New team being recruited for this product area.

Write to Box B1067, Financial Times, One Southwark Bridge, London SE1 9HL

### APPOINTMENTS WANTED

### FINANCE DIRECTOR

AGE 39 - FCA

Extensive experience of acquisitions/mergers/re-financings and good City contacts both as a partner in a major firm of accountants and in industry. Seeks challenging FD or consultancy position in medium size business on a short or long term basis. Currently based in London but prepared to relocate.

Write to Box B1060, Financial Times, One Southwark Bridge, London SE1 9HL

## Commercial Manager

Independent School

Attractive location

Changing patterns of education have presented independent schools with a considerable challenge to which the best are responding with vigour and a realistic approach to market conditions.

One such school now wishes to appoint a Commercial Manager to join its management team working with the Headmaster to control and develop a thriving medium sized business.

Applicants should be under 45, graduates, and have broad commercial experience with good financial and people management skills. An interest in children and education is important as the role involves active membership of a community with about a thousand co-educational pupils.

A competitive salary will be offered with normal benefits and the opportunity to educate one's children at a considerably reduced fee level.

Please write including full career details quoting ref: 3343/1 to:

Mason & Nurse, Associates  
126 Colmore Row  
Birmingham B3 3AP  
Offices in London & Birmingham

**Mason & Nurse**  
Executive Search



## Outstanding Development Opportunities For High Calibre Achievers

This £57m turnover company has industry leading products and an established blue chip client base. As part of an international group it has tremendous global market opportunities. It is highly profitable, customer focused and entrepreneurial in style. The long term trends of the last two years are now expected to accelerate. In this environment change is a constant and the finance function is currently seeking three outstanding young accountants to play leading roles in the next phase of company's development.

**Western Home Counties - c £35,000 + Car**

### FINANCE MANAGER

The position will take responsibility for managing and developing financial accounting and reporting. It is a team of four including two accountants. The role will demand excellent technical ability, but more importantly you will need strong leadership, communication and team building skills. The successful candidate will be quick to identify development opportunities and then plan and carry through the necessary changes to make the most effective use of this function. You will need the confidence and judgement for independent decision making and the clarity of thought to deliver explanation, guidance and development paths to subordinates. You will be expected to deliver practical results on technical and systems issues. To drive this process of change you will need to be assertive, resilient and adaptable.

All of these appointments offer excellent prospects to graduate calibre qualified accountants aged up to 30. Most probably trained in a blue chip corporate or professional environment you will then have gained some 'sharp end' experience. The posts require excellent technical skills, mental agility and strong systems knowledge. Emphasis will be placed on your ability to manage small teams at a time of great change and to deliver practical solutions to real business issues. Practice candidates who can create structured solutions without recourse to established corporate procedures will succeed.

### HEAD OF MANAGEMENT ACCOUNTING

Planning and managing business requires accurate, timely and flexible information gathering and organisation. The function has wide ranging scope for development; the task is to merge it into a technically advanced, business focused, creative function which co-operates closely with management. All budgeting work will be under your control but an equal emphasis must be developed on commercial analysis, planning and strategy. A key criterion in candidate selection will be proven experience of systems development and enhancement. You will be expected to assimilate rapidly a keen understanding of the challenges facing the various business functions and to relate these to information requirements and structures. Leading a small team you will need to be articulate, persuasive, practical and results oriented.



**Michael Page Finance**

Specialists in Financial Recruitment  
London Bristol Windsor St Albans Leatherhead Birmingham  
Nottingham Manchester Leeds Glasgow & Worldwide

**Northern Home Counties - to £32,000 + Car**

### BUSINESS UNIT FINANCE MANAGER

In the lead finance role within this £7m turnover autonomous business unit, you will be responsible for a whole range of finance disciplines including management accounting, systems implementation, sales order processing, billing and planning. You will need to demonstrate an ability to work within a cross-functional management team at business unit level, making a major contribution towards the profitable development of the business, while working effectively with the finance group in the main business. The pivotal nature of the role will mean you must already possess the strong communication and technical skills necessary to build a rapid path to senior management. Reporting directly to the main finance group, you will have a strong 'shoulder line' to the local Business Unit Manager and will have responsibility for the further development of controls and procedures within the business unit.

Candidates should write to Richard Wilson  
at Michael Page Finance, Windsor Bridge  
House, 1 Brocas Street, Eton, Berkshire SL4 6BW  
making clear which appointment is of interest.



## European Retail Financial Controller Middlesex £ Competitive

Timberland has been a committed employer for many years. The company has a strong reputation for providing a high quality, fast, efficient and reliable service. The position of European Retail Financial Controller is a key role within the company. The successful candidate will be responsible for the financial management of the European retail operations. The role involves a high level of responsibility and requires a strong background in financial management and retail operations. The successful candidate will be a member of the senior management team and will be responsible for the financial performance of the European retail operations. The role involves a high level of responsibility and requires a strong background in financial management and retail operations. The successful candidate will be a member of the senior management team and will be responsible for the financial performance of the European retail operations.

Establishing and implementing common financial operating procedures.

The successful candidate must be a graduate calibre qualified accountant aged 25-35 with a strong track record in a retail environment. The role involves a high level of responsibility and requires a strong background in financial management and retail operations. The successful candidate will be a member of the senior management team and will be responsible for the financial performance of the European retail operations.

Additional qualities of innovation, resourcefulness, persistence and communication skills must be displayed. The successful candidate will be a member of the senior management team and will be responsible for the financial performance of the European retail operations.

The role involves a high level of responsibility and requires a strong background in financial management and retail operations. The successful candidate will be a member of the senior management team and will be responsible for the financial performance of the European retail operations.

The successful candidate will be a member of the senior management team and will be responsible for the financial performance of the European retail operations.



**Michael Page Finance**

Specialists in Financial Recruitment  
London Bristol Windsor St Albans Leatherhead Birmingham  
Nottingham Manchester Leeds Glasgow & Worldwide

## SYSTEMS ACCOUNTANT

Migrating to AS400, we're seeking a talented Change Manager to drive the project and move into a senior accounting role

c£28K + employee vehicle scheme + benefits - Redhill, Surrey

Toyota (GB) Limited is the sole distributor of Toyota vehicles in the UK, with over 250 dealerships. Now that Toyota's new car manufacturing plant at Burnaston, Derbyshire, is up and running with the exciting Camry 'E' model, we're geared up for major sales development.

The company's systems are to migrate from ICL to IBM AS400, and to manage the change within Head Office Accounting we're searching for a talented Systems Accountant. The brief will entail a complete review of current systems to determine requirements, identify areas for streamlining and integration, and evaluate the most suitable software systems for the future. Reporting to the Finance Operations Director, you'll have responsibility for implementing the chosen programmes and handling the training of staff. As a Change Manager you'll need excellent interpersonal skills to promote the benefits of new procedures and ensure enthusiastic acceptance of the new regime.

Ideally a graduate with ACA or ACMA qualifications, you'll be experienced in the selection, development

and implementation of accounting systems, preferably in mnc types of business. Familiarity with IBM AS400 would be a major advantage, as would a proven track record of change management within a large department.

If you have the abilities and the temperament to take this project through to a successful conclusion, you can look forward to a subsequent role in a senior accounting position and excellent prospects beyond. The benefits on offer include 5 weeks' holiday, BUPA, non-contributory pension and employee vehicle scheme.

Please write with your full cv, quoting ref: 690, to Terry West, Managing Director, Reply Handling Service, Associates in Advertising, 5 St John's Lane, London EC1M 4BH.



TOYOTA

**Price Waterhouse**

EXECUTIVE SEARCH & SELECTION

## Finance Manager

Lagos, Nigeria \$70-80,000 + Expatriate Benefits

Bredon Price, a subsidiary of NYSE listed Dresser Industries, is a contracting engineer and undisputed world leader in the coating application of pipes for the oil and gas industries. Expanding and profitable, the group is benefiting from growth in all its markets. The Nigerian operation services state and independent operators in both the oil and gas sectors.

Part of the small and informal management team, the Finance and Administration Manager will be based in Victoria Island, Lagos though travel will be required to visit customers, company operations, financial and government institutions and UK corporate headquarters. You will have

"hands-on" responsibility for all day-to-day finance matters as local administrative support is limited. Nevertheless, you will spend much of your time on project work including business development and bid preparation, bank liaison and foreign exchange/cash flow management.

Strong on financial control and cash flow monitoring, you will probably have a heavy engineering background.

Experienced in the costing and financial management of contracts, you will have a record of successful negotiations with customers, suppliers and banks. Exposure to the taxation, treasury and legal aspects of offshore companies would be an advantage.

You have almost certainly worked as an expatriate before and will appreciate that personal attributes are as important as technical skills. Patience, resilience, tenacity and good humour are all vital to success in this demanding environment.

The attractive expatriate benefits include, amongst others, housing, car + driver and normal home leave.

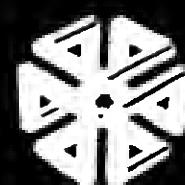
Interested applicants should write enclosing full career and salary details and quoting reference D/0023 to:

Mark Hartshorne  
Executive Search & Selection  
Price Waterhouse  
Cornwall Court  
19 Cornwall Street  
Birmingham, B3 2DT

## FINANCIAL ACCOUNTING MANAGER

Berkshire

c.£30,000 + Car



**Silicon Graphics**  
Computer Systems

Appointments Advertising  
appears every Wednesday  
and Thursday (UK)  
and Friday  
(in the International  
Edition only)

Having consistently demonstrated an enviable track record in terms of growth, market share and profitability, our client is a major international manufacturer and distributor of UNIX workstations; noted for their excellence in graphics and super computing performance. Growth is running at an impressive 30% per annum with the group now firmly established as a Fortune 500 Company.

Due to Group promotion, a high calibre qualified Chartered Accountant is sought who can demonstrate a track record of achievement and display a history of audit/special projects within a hi-tech client base. You will be responsible for producing the UK monthly accounting pack, maintaining accurate fixed asset and inventory statistics and participate in the ongoing development of the business systems.

You will thrive in a deadline orientated environment and display well developed communication and written skills.

This role offers a long term career strategy for a young achiever who can instigate change. Promotion and responsibility will be awarded at the earliest opportunity.

Interested candidates should contact Mark Rowley on 0734 391003 (after hours on 0483 428966) or write with a detailed curriculum vitae to the address below.

**HARRISON WILLIS**

FINANCIAL & LEGAL RECRUITMENT CONSULTANTS  
15 Station Road, Reading, Berkshire RG1 1LG. Tel: 0734 391003  
LONDON • READING • GUILDFORD • ST ALBANS • BRISTOL • BIRMINGHAM

CITY TREASURY

## CITY TREASURER

£44,028 to £48,546

(Ref 4510)

The City Council has recently appointed Mr J C Willis, the present City Treasurer, as Chief Executive with effect from 24th September, 1993. We are now looking for a new City Treasurer to provide effective financial management.

Salford with a population of 240,000, is a major City and is the Lead Authority for Greater Manchester Police and has a reputation for innovation and a high level of service delivery. The City Council has a gross revenue budget of over £350M and the Police Authority a gross budget of over £300M. The person appointed will also act as Treasurer to the Police Authority.

The role demands a dynamic and experienced professional with an approved accountancy qualification and with a successful track record in financial management, preferably in the Finance Department of a Local Authority.

The City enjoys a reputation for warmth and welcome, a strategic position, and combines an inner-city core with an attractive urban periphery, making it an ideal place to live and work.

Application forms may be obtained from the Personnel Manager, Salford Civic Centre, Chorley Road, Swinton, Salford M27 2BN, tel. 061 793 3507 (answerphone service after office hours). Minicom 061 793 2544 (hearing impaired applicants only). Please quote post reference in all communications.

We are striving to be an equal opportunities employer. Applications are encouraged from suitably qualified and/or experienced disabled persons.

Closing date: 4th June 1993.



**MHH**

**MANOR HOUSE HEALTHCARE - N.W. London**  
CHIEF FINANCE OFFICER - Package up to £50k

The Industrial Orthopaedic Society is a Major Friendly Society with an annual turnover in excess of £13m, providing health care to members within industry and commerce. We are currently developing opportunities offered by the new Friendly Society Act.

We need a commercially driven, innovative finance professional with a proven track record of successful management of change, to plan and implement new financial strategies in the highly competitive field of health care.

A qualified accountant with sound business achievements, considerable experience at a senior level and a working knowledge of I.T., you will play a full and pro-active role in developing strategies for success. Strong leadership and influencing skills are essential, together with the ability to form good working relationships at all levels in an organisation with a diversity of skills and cultures.

It is unlikely that anyone under 35 will have the maturity and experience for the demands of this post.

If you can meet this challenge find out more by contacting Janet Baker, Personnel Manager on 061 455 8601 at Manor Hospital, North End Road, Golders Green, NW11 7HX, an information pack is available.

## DIRECTOR OF FINANCE

BIRMINGHAM

package c.£35,000

Friendship Housing is a dynamic housing association providing rented, shared ownership and community care housing throughout the Central Midlands. For almost 40 years, by deploying innovative yet practical solutions, we have achieved growth whilst promoting our clear values as a social housing and care organisation. This is how we define success.

We now need a Finance Director who will be excited by the challenge of working in an environment where change and innovation are the fundamentals of operation.

You will be both a manager and a strategist with wide ranging financial skills, including a detailed knowledge of capital markets and a successful track record in private finance negotiations. You will participate in the corporate management of the organisation and must therefore be experienced in business planning, budgeting, cashflows and have the ability to act as Company Secretary.

If you are seeking an opportunity to join a dedicated and professional team working in an expanding sector of the economy we would like to hear from you.

Friendship has an active Equal Opportunities policy, and for this senior post we especially seek applications from Black and Asian people, and women. We also welcome applications from people aged 40+ and people with disabilities, who are guaranteed an interview if suitably qualified.



For details and an application form  
tel: 021-773 4941, (answerphone  
after 5pm) or write to Hasmita  
Parma, 17 Braithwaite Road,  
Sparkbrook, Birmingham B11 1LB,  
quoting ref: 2.1.01.

Closing date: 7 June 1993.



مكاتبنا في القاهرة



## European Operational Review

£ Neg + Car  
+ Benefits

**THORN EMI Rental - Europe**

With a dedicated workforce of nearly 20,000, THORN EMI Rental (TER), a major division of THORN EMI Plc, serves the needs of over 100 million rental customers in 19 different countries. As a result, TER is by far the largest rental organisation in the world and is market leader in every major territory in which it operates. Last year the Company made pre-tax profits approaching £125 million on turnover in excess of £1 billion. Operating as one of four distinct geographical regions, THORN EMI Rental-Europe has business outside the UK in 12 countries. It has 320 shops and is the dominant market force, providing rental services to both domestic and commercial clients.

An opportunity has arisen to recruit an additional individual to operate as part of a small, highly visible audit team. The Department has responsibility for conducting control reviews in accordance with the strategic plan together with performing independent investigations into aspects of individual business activities and ad hoc projects as requested by central management. The successful candidate will be based in Chertsey, Surrey, though he/she will be expected to travel extensively during the week. The role is seen as an excellent point of entry before moving to a line management role in one of the operating divisions.

The ideal candidate will be a qualified Chartered accountant from a 'Big 6' public practice firm with up to two to three years' post qualification experience. This could have been gained either within the profession or in a commercial environment. Fluency in a second European language is essential as is the aptitude to communicate effectively at all levels. Benefits include an attractive remuneration package, quality company car, and the ability to develop an international career in a highly successful company.

For further information in strict confidence telephone Jonathan Jones on 071-287 6285 (evenings and weekends on 081-464 8927). Alternatively, please fax a curriculum vitae to our London office quoting ref JJ 413.

**WALKER HAMILL**  
Financial Recruitment Consultants  
29-30 Kingly Street London W1R 5LB  
Tel: 071 287 6285  
Fax: 071 287 6270

## Financial Controller

City

Securities

Excellent Remuneration

Our client is a high profile, British owned, international securities house. Its activities cover a broad range of equities and related financial products in the markets of Japan, Asia, Europe, the United States and Latin America.

Operating from 19 offices, the firm is excellently placed for further growth. It is continually exploring new methods of investment and actively participates in the development of synthetic and derivative products.

An excellent opportunity has arisen for a top calibre ACA who has had significant exposure to a dealing room environment, preferably with in-depth product knowledge.

Reporting to the Finance Director, the Financial Controller will be responsible for managing a team of 14 staff, covering all aspects of expenditure and revenue reporting, group consolidation and balance sheet reporting. This will involve significant exposure to senior management and the international offices.

The ideal individual will be aged 30 to 35 and will have worked within an International Bank or Securities House for a number of years. Experience in managing a multifunctional team and exposure to the design and implementation of IT systems would be an advantage.

The remuneration will include an attractive basic salary, an excellent performance related bonus, BUPA and Pension.

For further information in strict confidence telephone Robert Walker on 071-287 6285 (evenings and weekends on 0799 831413). Alternatively, please fax a curriculum vitae to our London office quoting ref RW 1319.

**WALKER HAMILL**  
Financial Recruitment Consultants  
29-30 Kingly Street London W1R 5LB  
Tel: 071 287 6285  
Fax: 071 287 6270

## Finance Manager

This international brand leader in soft drinks, is expanding its operations in Prague and is looking for a talented, results-oriented finance professional with native Czech language ability to become a key member of the management team.

### PRAGUE

From a start-up distribution operation, you will be responsible for installing all financial reporting systems, building, training and managing a high-calibre team, as well as developing strategic and annual financial plans and forecasts.

### Excellent package

To meet this challenge it is essential that you provide the following:

- Graduate qualified ACA or equivalent
- Robust and energetic style of management along with patience and an ability to deal with people at all levels
- A minimum of three years financial management experience gained within a multinational environment
- A determination to succeed in a constantly changing and fast-moving environment

In return you will receive an excellent salary package and a career with one of the world's leading multinational employers. Opportunities for progression within this dynamic organisation will be limited only by personal ability.

Interested applicants should send a CV to Michael Pickford at Nicholson International (Search and Selection Consultants), Africa House, 64-78 Kingsway, London WC2B 6AH, or fax on 071 404 8128; or to Michael Tate at Nicholson International (Prague), Na Porici 17, 110 00 Prague 1, Czech Republic, or fax on 010 422 232 2925. Please quote job reference 9912. Alternatively call Michael Pickford on 071 404 5501 or Michael Tate on 010 422 232 2925 for an initial discussion.

**NICHOLSON INTERNATIONAL**

## Financial Controller

### Financial Services

c.£40,000 + Bonus & Benefits

SE England

Exceptional opportunity for an outstanding finance professional to enter a diverse and expanding multinational plc.

#### THE COMPANY

- Well established, successful Finance House.
- Multi-site, autonomous subsidiary of growing plc.
- Strong market position, advancing market share and profitability.

#### THE POSITION

- Responsible for all financial and management information and interest rate management.
- Streamline management information process. Provide incisive Board reports to strict deadlines.

- High profile, active management role. Build internal relationships at all levels.
- QUALIFICATIONS**
- Dynamic, graduate ACA, aged 30's. Understanding of credit, possibly from banking, financial services, retail finance or the Profession.
- Excellent communication and interpersonal skills, confident and able to establish credibility at all levels.
- Forward thinking, numeric, "hands-on" manager.

Please write, enclosing full cv, Ref M1874  
54 Jermyn Street, London SW1Y 6LX

**N B SELECTION LTD**  
a Norman Broadbent International  
associated company

**NBS**

London 071 493 6392  
Bristol • Glasgow  
Aberdeen • Slough  
Birmingham • Manchester

## EUROPEAN FINANCE MANAGER

c.£40,000 + Bonus + Car  
London Location

International Data Corporation (IDC) is the world's leading provider of market research and consulting on the information technology industry. This is a new, high profile position which reports directly to IDC Europe's President. The successful applicant will work with IDC's subsidiaries throughout Europe to develop improved financial reporting, budgeting and controls, critically appraise results and provide advice to senior management.

The role calls for an experienced financial manager with strong interpersonal skills and the commercial acumen necessary to work with multiple business unit managers throughout Europe. We require a qualified chartered accountant with at least 5 years' experience in a multinational company. Experience with a professional services, consulting or market research firm is preferred. Strong financial analysis skills are required. Fluency in two or more European languages is preferred. Considerable travel will be necessary.

If you wish to pursue a challenging career opportunity in an entrepreneurial business environment, please send your CV to Shirley Homde, International Data Corporation, 2 Bath Road, Chiswick, London W41LN.

**IDC**  
International Data Corporation

## FINANCIAL DIRECTOR

A successful newspaper publisher and contract printing company, part of an international group, seeks a financial director who will not only help us to crunch our numbers, but make a big contribution towards continuously improving them. Computer literacy is needed and publishing or printing industry experience would be useful. But drive, initiative, ambition and general management skills are more important. Our parent company, Trinity International Holdings, are expansionist and have a policy of developing talent and promoting from within. So opportunities for further advancement in Trinity are good. Your salary and benefits will reflect the key role we want you to play.

We are based on the scenic North Wales coast, on the edge of the Snowdonia National Park, but Manchester and Liverpool are within 90 minutes drive time, and Chester is 45 minutes away, so we've got the best of both worlds.

Write in full, stating salary, to: Chief Executive, North Wales Independent Press, Llandudno Junction, Gwynedd, LL31 9SL. Mark your envelope 'Finance Director Application'.

Société  
de produits de luxe  
recherche un

pour seconder l'analyste-financier  
dans la mise en place des états  
financiers, du suivi de la trésorerie,  
du budget et du reporting.

Une expérience comptable de 3 à  
5 ans, de préférence dans un  
cabinet d'audit (bonne  
connaissance comptabilité anglo-  
saxonne), est indispensable.

Bilingue anglais et maîtrise de la  
micro-informatique.  
Merci d'adresser lettre  
manuscrite, CV, photo et salaire  
souhaité sous ref. 3735/UT à  
HCA, 10 rue du plâtre, F,  
75004 Paris, qui transmettra.

**ASSISTANT  
ANALYSTE-  
FINANCIER**

## Assistant Financial Controller

Richmond c£27,000 plus FX car

**The Company:** Simmons Magee Plc is a leading supplier of high quality micro computer and communications equipment, and associated technical services.

**The Position:** Reporting to the Financial Controller, the position entails (ultimately) operational responsibility for all areas of the accounts department, including production of management and statutory accounts, cash flow management, ad hoc projects, as well as assisting the Financial Controller in the effective running of the purchasing, distribution, personnel and quality functions within the company.

**The Person:** The successful candidate will be a newly qualified ACA with drive, enthusiasm, common sense and with the ability to think on their feet. Commercial awareness is essential. Advanced spreadsheeting skills would be a positive advantage. The environment is hard working and fast moving, and requires a temperament to match.

Please forward your CV, in strictest confidence, to Simon Hosking at Simmons Magee Plc, 1 Dee Road, Richmond, Surrey TW9 2JN. No Agencies

**MERIDIAN  
TRADING CONTROL**  
£25-30,000

Small successful Int'l Capital Markets group seeks a young ambitious professional with exp in Trading Control in Int'l Bonds/Equities. Experience must include reporting, P&L, Balance Sheet, SPA fin. regs. combined with excellent computer literacy. Please call Alex Bunterworth for more information.

071 255 1555  
RECRUITMENT CONSULTANTS

DEFENCE RESEARCH AGENCY

## Excellent Opportunities for High Calibre Finance Managers

The Defence Research Agency is an Agency of the Ministry of Defence. Our mission is to be the prime provider of technical advice to the MOD. We also provide advanced technical services to other Government departments and to private industry. Under the leadership of a Chief Executive recruited from industry, we are undertaking a dramatic programme of change to become a progressive, professional and efficient commercially-run organisation, whilst preserving our traditional scientific excellence, objectivity and international standing.

These changes have generated the need for a significant programme of cost reduction, market testing and cultural change in the support services of the DRA. To push these initiatives through to a successful conclusion we need to recruit a number of dynamic, able, flexible and commercially minded Finance Managers for the support services area of DRA.

### Financial Controller, Engineering - Farnborough c. £30,000

This position reporting to the Engineering Services Director, heads the team developing and implementing financial management initiatives within this £70M per annum sector, which largely supplies internal customers. The role is highly operational in nature and responsibilities include the co-ordination of annual budgets and forecasts, the review and analysis of divisional reports and forecasts, and the provision of timely financial and management information and advice to senior management in Engineering Services. A major involvement in the market testing of in-house operations is about to commence.

Candidates should be qualified accountants with about 5 years' post qualification experience in a large corporate environment. The ability to manage a dispersed team, while communicating with individuals at all levels and of all disciplines throughout the organisation is essential.

### Management Accountants Farnborough and Portsmouth c. £24,000

These positions report to senior managers within the Sita Services sector, which provides the services necessary to operate sites and to support business sector operations thereon. The role is similar to that of the Engineering Financial Controller but each post covers a geographic area of overall Sita Services operations. The posts report functionally to the sector Financial Controller.

Candidates should either be recently qualified or passed finalists with strong communication skills.

### Assistant to Group Financial Controller - Farnborough c. £20,000

Reporting directly to the Group Financial Controller, this position involves the co-ordination, analysis, and consolidation of annual budgets and monthly forecasts for the four support service sectors of the DRA; review of capital expenditure proposals; and ad hoc projects in relation to the whole support services area of DRA (current cost circa £200M per annum).

Candidates should be passed finalist or part-qualified accountants with good computer skills.

These appointments will initially be for a fixed term of three years with the possibilities of extension to 5 years. Relocation expenses may be available.

To apply for any of these appointments please contact us for an application form quoting Ref: FT/12.49/93. Specialist Recruitment Office, DRA Portsmouth, PORTSMOUTH, Hampshire, PO6 4AA. Tel: (0705) 334455/333632. (0705) 385285 (24 hr).

Closing date for receipt of completed applications is 3rd June 1993.

THE DRA IS AN EQUAL OPPORTUNITIES EMPLOYER



## FINANCIAL DIRECTOR

Oxford Clinical Communications, a leader in the Medical Communications industry, has a deserved reputation for excellence in customer service, by producing creative high quality medical education programmes to support the marketing demands of leading worldwide pharmaceutical companies.

To strengthen our team, we wish to recruit a Financial Director who has the vision to help us create the company strategy for future growth, combined with the ability to get involved on a day-to-day basis with the provision of an effective and efficient accounting service to the company.

The successful candidate will be a qualified accountant, with at least 5 years' experience at a senior level, including both management and financial accounting, and preferably with experience of project-based accounting, international operations, acquisitions, treasury and tax. Your financial skills must be combined with a personality that will feel at home in this young creative company.

The position carries an excellent remuneration package including company car and pension provision.

Please send your CV, marked for the attention of Barry Aiken, to Oxford Clinical Communications Limited, 213 Barns Road, Oxford OX4 3UT.

## FINANCE MANAGER

£27,000 - £32,000 + Bens

Our client, a prestigious banking organisation, is seeking a qualified ACA, ACCA or CIMA Accountant. Possessing a minimum of 1 years commercial post qualification experience and a high level of P.C. literacy. Your will supervise two sub-departments, 18 staff, producing financial and management accounts and streamline systems. Career prospects are excellent and our client envisages promotion with 12-18 months.

For further information call Justin Bradley on 071 496 1481 or fax your CV on 071 496 1301.

Parker Bridge Consultants,  
Abbott House, 1/2 Hanover Street, London W1R 9WB.



## Sagging rubber prices put pact in jeopardy

[illegible]







## LONDON SHARE SERVICE

## AMERICANS

[illegible]

## BUILDING MATERIALS - Cont.

[illegible]

## ELECTRICALS

[illegible]

### ENGINEERING-GENERAL - Cont

[illegible]**HOTELS & LEISURE - Cont**[illegible]**INVESTMENT TRUSTS - Cont**

	Index	Price	+ or -	% chg.
Warrantage		14	-	16 1/2
Warrantage Pk East	273 1/2	14	-	278
Warrantage Pk West	273 1/2	14	-	278
Warrantage High Inc.	118	11	-	129
Warrantage High Inc. A	118	11	-	129
Warrantage I & C Inc	75 1/2	11	-	86 1/2
Warrantage I & C Inc B	75 1/2	11	-	86 1/2
Warrantage Int High	40 1/2	11	-	51 1/2
Zenith	84	1	-	85
Zenith Japan	250 1/2	1	-	251 1/2
Zenith Japan A	250 1/2	1	-	251 1/2
Zenith Japan B	250 1/2	1	-	251 1/2
Zenith Japan C	250 1/2	1	-	251 1/2
Zenith Japan D	250 1/2	1	-	251 1/2
Zenith Japan E	250 1/2	1	-	251 1/2
Zenith Japan F	250 1/2	1	-	251 1/2
Zenith Japan G	250 1/2	1	-	251 1/2
Zenith Japan H	250 1/2	1	-	251 1/2
Zenith Japan I	250 1/2	1	-	251 1/2
Zenith Japan J	250 1/2	1	-	251 1/2
Zenith Japan K	250 1/2	1	-	251 1/2
Zenith Japan L	250 1/2	1	-	251 1/2
Zenith Japan M	250 1/2	1	-	251 1/2
Zenith Japan N	250 1/2	1	-	251 1/2
Zenith Japan O	250 1/2	1	-	251 1/2
Zenith Japan P	250 1/2	1	-	251 1/2
Zenith Japan Q	250 1/2	1	-	251 1/2
Zenith Japan R	250 1/2	1	-	251 1/2
Zenith Japan S	250 1/2	1	-	251 1/2
Zenith Japan T	250 1/2	1	-	251 1/2
Zenith Japan U	250 1/2	1	-	251 1/2
Zenith Japan V	250 1/2	1	-	251 1/2
Zenith Japan W	250 1/2	1	-	251 1/2
Zenith Japan X	250 1/2	1	-	251 1/2
Zenith Japan Y	250 1/2	1	-	251 1/2
Zenith Japan Z	250 1/2	1	-	251 1/2

## CANADIANS

[illegible]

## CHEMICALS

1.000	kg	1.000	1.000	1.000
2.000	kg	2.000	2.000	2.000
3.000	kg	3.000	3.000	3.000
4.000	kg	4.000	4.000	4.000
5.000	kg	5.000	5.000	5.000
6.000	kg	6.000	6.000	6.000
7.000	kg	7.000	7.000	7.000
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65.000	kg	65.000	65.000	65.000
66.000	kg	66.000	66.000	66.000

## ELECTRONICS

Fr	Pr
16	16
22	22
28	28
34	34
40	40
46	46
52	52
58	58
64	64
70	70
76	76
82	82
88	88
94	94
100	100

## FOOD MANUFACTURING

[illegible]

## INSURANCE BROKERS

Stock	Price	% Chg	High
Am & Am S	275.75	+0.25	276.00
Am O & S	650	-	650
Am T & T	40	-	40
Am T & T	174	-	182
Am T & T	120	-	148
Am T & T	324	-	324
Am T & T	186	-	186
Am T & T	182	-	182
Am T & T	273	-	273
Am T & T	347	-	347
Am T & T	558.1	-	558.1
Am T & T	81	-	81
Am T & T	66	-	66
Am T & T	154	-	154
Am T & T	217	-	217
Am T & T	85	-	85

## INSURANCE COMPOSITE

[illegible]

## BANKS

1. *What is the purpose of the study?*  
 2. *What are the research questions or hypotheses?*  
 3. *What is the study design?*  
 4. *What is the sample size and how was it selected?*  
 5. *What are the variables being studied?*  
 6. *What are the data collection methods?*  
 7. *What are the results of the study?*  
 8. *What are the conclusions of the study?*  
 9. *What are the limitations of the study?*  
 10. *What are the implications of the study?*

## CONGLOMERATES

[illegible]

## FOOD RETAILING

Stock	Price
Alcoa	67
Aluminum Co. of America	105
Aluminum Wire	175
Alumina	298
Aluminum	17
Aluminum & Chemical	487
Aluminum Sheet	44
Aluminum Wire	10
Aluminum & Chemical	236
Aluminum Wire	63
Aluminum Wire	165
Aluminum Wire	806
Aluminum Wire	580
Aluminum Wire	703
Aluminum Wire	61
Aluminum Wire	778
Aluminum Wire	197
Aluminum Wire	111
Aluminum Wire	173
Aluminum Wire	162
Aluminum Wire	271
Aluminum Wire	220
Aluminum Wire	235
Aluminum Wire	78
Aluminum Wire	146
Aluminum Wire	339
Aluminum Wire	117
Aluminum Wire	309

## HEALTH & HOUSE

Notes	Price
NAH	406
Amersham	665
Asco Nursing	210
Astra 6 SR	534
Baxter Int 9	218 1/2
Beckap	318
Birt Bio-Toch	400
Community Hapt	187
Cornac AS	43 1/2
Crestmont Nat	174
CrestCare	43
Crown Egypt	127
Dan IE	531
Fisons	181
Gen	638
Greenacres	124
Macmillan	168
Midland A NR	513 1/2
6 NR	513 1/2

**INSURANCE LIFE**

	Score	Price
Strategic	100	1483
Top 100	100	188
Top 100	100	487
Top 100	100	845
Top 100	100	651
Top 100	100	428
Top 100	100	336
Top 100	100	318
Top 100	100	1023
Top 100	100	1279
Top 100	100	37
Top 100	100	718

## INVESTMENT TRUSTS

[illegible]

## BREWERS & DISTILLERS

	Pct	1977
200	50	100
201	42	84
202	41	82
203	38	76
204	37	74
205	36	72
206	35	70
207	34	68
208	33	66
209	32	64
210	31	62
211	30	60
212	29	58
213	28	56
214	27	54
215	26	52
216	25	50
217	24	48
218	23	46
219	22	44
220	21	42
221	20	40
222	19	38
223	18	36
224	17	34
225	16	32
226	15	30
227	14	28
228	13	26
229	12	24
230	11	22
231	10	20
232	9	18
233	8	16
234	7	14
235	6	12
236	5	10
237	4	8
238	3	6
239	2	4
240	1	2
241	0	0

## BUILDING MATERIALS

[illegible]

## ENGINEERING-GENERAL

[illegible]

## HOTELS & LEISURE

	Holes	Price	+ or -
pendent Sit	10	10	
ritures	10	289	
Red Lea	2	4	
ndolo	7	76	
ter & WAT	1	224	
Joey & Hink	11902		
nter Walker	134	1/2	
Red Scott	60		
ichington	5	1/4	-
er's Games	181		
ly Centre	65		
ny	506	+3	
stard Lay	13		
ild Lloyd	174		
nd FFL	269		
mpress Lea	32	+2	
Lands	28		
illine Boas	34	+5	
ringford	71		
La Lakson	349	-8	
ndy	187		
andy Hotel	400	+1	
ard	170		
20 On Pl	1801	-1/2	
nd	0		

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INVESTMENT TRUSTS - Cont.

Trust Name	Price	1992	1991	1990	1989	1988	1987	1986	1985	1984	1983	1982	1981	1980	1979	1978	1977	1976	1975	1974	1973	1972	1971	1970	1969	1968	1967	1966	1965	1964	1963	1962	1961	1960	1959	1958	1957	1956	1955	1954	1953	1952	1951	1950	1949	1948	1947	1946	1945	1944	1943	1942	1941	1940	1939	1938	1937	1936	1935	1934	1933	1932	1931	1930	1929	1928	1927	1926	1925	1924	1923	1922	1921	1920	1919	1918	1917	1916	1915	1914	1913	1912	1911	1910	1909	1908	1907	1906	1905	1904	1903	1902	1901	1900	1899	1898	1897	1896	1895	1894	1893	1892	1891	1890	1889	1888	1887	1886	1885	1884	1883	1882	1881	1880	1879	1878	1877	1876	1875	1874	1873	1872	1871	1870	1869	1868	1867	1866	1865	1864	1863	1862	1861	1860	1859	1858	1857	1856	1855	1854	1853	1852	1851	1850	1849	1848	1847	1846	1845	1844	1843	1842	1841	1840	1839	1838	1837	1836	1835	1834	1833	1832	1831	1830	1829	1828	1827	1826	1825	1824	1823	1822	1821	1820	1819	1818	1817	1816	1815	1814	1813	1812	1811	1810	1809	1808	1807	1806	1805	1804	1803	1802	1801	1800	1799	1798	1797	1796	1795	1794	1793	1792	1791	1790	1789	1788	1787	1786	1785	1784	1783	1782	1781	1780	1779	1778	1777	1776	1775	1774	1773	1772	1771	1770	1769	1768	1767	1766	1765	1764	1763	1762	1761	1760	1759	1758	1757	1756	1755	1754	1753	1752	1751	1750	1749	1748	1747	1746	1745	1744	1743	1742	1741	1740	1739	1738	1737	1736	1735	1734	1733	1732	1731	1730	1729	1728	1727	1726	1725	1724	1723	1722	1721	1720	1719	1718	1717	1716	1715	1714	1713	1712	1711	1710	1709	1708	1707	1706	1705	1704	1703	1702	1701	1700	1699	1698	1697	1696	1695	1694	1693	1692	1691	1690	1689	1688	1687	1686	1685	1684	1683	1682	1681	1680	1679	1678	1677	1676	1675	1674	1673	1672	1671	1670	1669	1668	1667	1666	1665	1664	1663	1662	1661	1660	1659	1658	1657	1656	1655	1654	1653	1652	1651	1650	1649	1648	1647	1646	1645	1644	1643	1642	1641	1640	1639	1638	1637	1636	1635	1634	1633	1632	1631	1630	1629	1628	1627	1626	1625	1624	1623	1622	1621	1620	1619	1618	1617	1616	1615	1614	1613	1612	1611	1610	1609	1608	1607	1606	1605	1604	1603	1602	1601	1600	1599	1598	1597	1596	1595	1594	1593	1592	1591	1590	1589	1588	1587	1586	1585	1584	1583	1582	1581	1580	1579	1578	1577	1576	1575	1574	1573	1572	1571	1570	1569	1568	1567	1566	1565	1564	1563	1562	1561	1560	1559	1558	1557	1556	1555	1554	1553	1552	1551	1550	1549	1548	1547	1546	1545	1544	1543	1542	1541	1540	1539	1538	1537	1536	1535	1534	1533	1532	1531	1530	1529	1528	1527	1526	1525	1524	1523	1522	1521	1520	1519	1518	1517	1516	1515	1514	1513	1512	1511	1510	1509	1508	1507	1506	1505	1504	1503	1502	1501	1500	1499	1498	1497	1496	1495	1494	1493	1492	1491	1490	1489	1488	1487	1486	1485	1484	1483	1482	1481	1480	1479	1478	1477	1476	1475	1474	1473	1472	1471	1470	1469	1468	1467	1466	1465	1464	1463	1462	1461	1460	1459	1458	1457	1456	1455	1454	1453	1452	1451	1450	1449	1448	1447	1446	1445	1444	1443	1442	1441	1440	1439	1438	1437	1436	1435	1434	1433	1432	1431	1430	1429	1428	1427	1426	1425	1424	1423	1422	1421	1420	1419	1418	1417	1416	1415	1414	1413	1412	1411	1410	1409	1408	1407	1406	1405	1404	1403	1402	1401	1400	1399	1398	1397	1396	1395	1394	1393	1392	1391	1390	1389	1388	1387	1386	1385	1384	1383	1382	1381	1380	1379	1378	1377	1376	1375	1374	1373	1372	1371	1370	1369	1368	1367	1366	1365	1364	1363	1362	1361	1360	1359	1358	1357	1356	1355	1354	1353	1352	1351	1350	1349	1348	1347	1346	1345	1344	1343	1342	1341	1340	1339	1338	1337	1336	1335	1334	1333	1332	1331	1330	1329	1328	1327	1326	1325	1324	1323	1322	1321	1320	1319	1318	1317	1316	1315	1314	1313	1312	1311	1310	1309	1308	1307	1306	1305	1304	1303	1302	1301	1300	1299	1298	1297	1296	1295	1294	1293	1292	1291	1290	1289	1288	1287	1286	1285	1284	1283	1282	1281	1280	1279	1278	1277	1276	1275	1274	1273	1272	1271	1270	1269	1268	1267	1266	1265	1264	1263	1262	1261	1260	1259	1258	1257	1256	1255	1254	1253	1252	1251	1250	1249	1248	1247	1246	1245	1244	1243	1242	1241	1240	1239	1238	1237	1236	1235	1234	1233	1232	1231	1230	1229	1228	1227	1226	1225	1224	1223	1222	1221	1220	1219	1218	1217	1216	1215	1214	1213	1212	1211	1210	1209	1208	1207	1206	1205	1204	1203	1202	1201	1200	1199	1198	1197	1196	1195	1194	1193	1192	1191	1190	1189	1188	1187	1186	1185	1184	1183	1182	1181	1180	1179	1178	1177	1176	1175	1174	1173	1172	1171	1170	1169	1168	1167	1166	1165	1164	1163	1162	1161	1160	1159	1158	1157	1156	1155	1154	1153	1152	1151	1150	1149	1148	1147	1146	1145	1144	1143	1142	1141	1140	1139	1138	1137	1136	1135	1134	1133	1132	1131	1130	1129	1128	1127	1126	1125	1124	1123	1122	1121	1120	1119	1118	1117	1116	1115	1114	1113	1112	1111	1110	1109	1108	1107	1106	1105	1104	1103	1102	1101	1100	1099	1098	1097	1096	1095	1094	1093	1092	1091	1090	1089	1088	1087	1086	1085	1084	1083	1082	1081	1080	1079	1078	1077	1076	1075	1074	1073	1072	1071	1070	1069	1068	1067	1066	1065	1064	1063	1062	1061	1060	1059	1058	1057	1056	1055	1054	1053	1052	1051	1050	1049	1048	1047	1046	1045	1044	1043	1042	1041	1040	1039	1038	1037	1036	1035	1034	1033	1032	1031	1030	1029	1028	1027	1026	1025	1024	1023	1022	1021	1020	1019	1018	1017	1016	1015	1014	1013	1012	1011	1010	1009	1008	1007	1006	1005	1004	1003	1002	1001	1000	999	998	997	996	995	994	993	992	991	990	989	988	987	986	985	984	983	982	981	980	979	978	977	976	975	974	973	972	971	970	969	968	967	966	965	964	963	962	961	960	959	958	957	956	955	954	953	952	951	950	949	948	947	946	945	944	943	942	941	940	939	938	937	936	935	934	933	932	931	930	929	928	927	926	925	924	923	922	921	920	919	918	917	916	915	914	913	912	911	910	909	908	907	906	905	904	903	902	901	900	899	898	897	896	895	894	893	892	891	890	889	888	887	886	885	884	883	882	881	880	879	878	877	876	875	874	873	872	871	870	869	868	867	866	865	864	863	862	861	860	859	858	857	856	855	854	853	852	851	850	849	848	847	846	845	844	843	842	841	840	839	838	837	836	835	834	833	832	831	830	829	828	827	826	825	824	823	822	821	820	819	818	817	816	815	814	813	812	811	810	809	808	807	806	805	804	803	802	801	800	799	798	797	796	795	794	793	792	791	790	789	788	787	786	785	784	783	782	781	780	779	778	777	776	775	774	773	772	771	770	769	768	767	766	765	764	763	762	761	760	759	758	757	756	755	754	753	752	751	750	749	748	747	746	745	744	743	742	741	740	739	738	737	736	735	734	733	732	731	730	729	728	727	726	725	724	723	722	721	720	719	718	717	716	715	714	713	712	711	710	709	708	707	706	705	704	703	702	701	700	699	698	697	696	695	694	693	692	691	690	689	688	687	686	685	684	683	682	681	680	679	678	677	676	675	674	673	672	671	670	669	668	667	666	665	664	663	662	661	660	659	658	657	656	655	654	653	652	651	650	649	648	647	646	645	644	643	642	641	640	639	638	637	636	635	634	633	632	631	630	629	628	627	626	625	624	623	622	621	620	619	618	617	616	615	614	613	612	611	610	609	608	607	606	605	604	603	602	601	600	599
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● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (071) 873 4378 for more details.

مكذمان الأصيل



1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519, 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2527, 2528, 2529, 2530, 2531, 2532, 2533, 2534, 2535, 2536, 2537, 2538, 2539, 2540, 2541, 2542, 2543, 2544, 2545, 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, 2556, 2557, 2558, 2559, 2560, 2561, 2562, 2563, 2564, 2565, 2566, 2567, 2568, 2569, 2570, 2571, 2572, 2573, 2574, 2575, 2576, 2577, 2578, 2579, 2580, 2581, 2582, 2583, 2584, 2585, 2586, 2587, 2588, 2589, 2590, 2591, 2592, 2593, 2594, 2595, 2596, 2597, 2598, 2599, 2600, 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612, 2613, 2614, 2615, 2616, 2617, 2618, 2619, 2620, 2621, 2622, 2623, 2624, 2625, 2626, 2627, 2628, 2629, 2630, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, 2640, 2641, 2642, 2643, 2644, 2645, 2646, 2647, 2648, 2649, 2650, 2651, 2652, 2653, 2654, 2655, 2656, 2657, 2658, 2659, 2660, 2661, 2662, 2663, 2664, 2665, 2666, 2667, 2668, 2669, 2670, 2671, 2672, 2673, 2674, 2675, 2676, 2677, 2678, 26

**• 87 Field**







## CANADA

# CANADA

Sales	Stock	High	Low	Open	Close	Sales	Stock	High	Low	Open	Close
TORONTO											
4 pm close May 20											
Questions in cents unless marked \$											
6305	Alcan P	\$15 1/4	15	15 1/4		30735	Macdonald	\$21 1/4	21 1/4		
6306	Alcan S	\$15 1/4	15 1/4	15 1/4		19407	Manit P	\$21 1/4	21 1/4		
6307	Alcan S	\$15 1/4	15 1/4	15 1/4		19408	Manit S	\$21 1/4	21 1/4		
6308	Alcan S	\$15 1/4	15 1/4	15 1/4		19409	Manit S	\$21 1/4	21 1/4		
6309	Alcan S	\$15 1/4	15 1/4	15 1/4		19410	Manit S	\$21 1/4	21 1/4		
6310	Alcan S	\$15 1/4	15 1/4	15 1/4		19411	Manit S	\$21 1/4	21 1/4		
6311	Alcan S	\$15 1/4	15 1/4	15 1/4		19412	Manit S	\$21 1/4	21 1/4		
6312	Alcan S	\$15 1/4	15 1/4	15 1/4		19413	Manit S	\$21 1/4	21 1/4		
6313	Alcan S	\$15 1/4	15 1/4	15 1/4		19414	Manit S	\$21 1/4	21 1/4		
6314	Alcan S	\$15 1/4	15 1/4	15 1/4		19415	Manit S	\$21 1/4	21 1/4		
6315	Alcan S	\$15 1/4	15 1/4	15 1/4		19416	Manit S	\$21 1/4	21 1/4		
6316	Alcan S	\$15 1/4	15 1/4	15 1/4		19417	Manit S	\$21 1/4	21 1/4		
6317	Alcan S	\$15 1/4	15 1/4	15 1/4		19418	Manit S	\$21 1/4	21 1/4		
6318	Alcan S	\$15 1/4	15 1/4	15 1/4		19419	Manit S	\$21 1/4	21 1/4		
6319	Alcan S	\$15 1/4	15 1/4	15 1/4		19420	Manit S	\$21 1/4	21 1/4		
6320	Alcan S	\$15 1/4	15 1/4	15 1/4		19421	Manit S	\$21 1/4	21 1/4		
6321	Alcan S	\$15 1/4	15 1/4	15 1/4		19422	Manit S	\$21 1/4	21 1/4		
6322	Alcan S	\$15 1/4	15 1/4	15 1/4		19423	Manit S	\$21 1/4	21 1/4		
6323	Alcan S	\$15 1/4	15 1/4	15 1/4		19424	Manit S	\$21 1/4	21 1/4		
6324	Alcan S	\$15 1/4	15 1/4	15 1/4		19425	Manit S	\$21 1/4	21 1/4		
6325	Alcan S	\$15 1/4	15 1/4	15 1/4		19426	Manit S	\$21 1/4	21 1/4		
6326	Alcan S	\$15 1/4	15 1/4	15 1/4		19427	Manit S	\$21 1/4	21 1/4		
6327	Alcan S	\$15 1/4	15 1/4	15 1/4		19428	Manit S	\$21 1/4	21 1/4		
6328	Alcan S	\$15 1/4	15 1/4	15 1/4		19429	Manit S	\$21 1/4	21 1/4		
6329	Alcan S	\$15 1/4	15 1/4	15 1/4		19430	Manit S	\$21 1/4	21 1/4		
6330	Alcan S	\$15 1/4	15 1/4	15 1/4		19431	Manit S	\$21 1/4	21 1/4		
6331	Alcan S	\$15 1/4	15 1/4	15 1/4		19432	Manit S	\$21 1/4	21 1/4		
6332	Alcan S	\$15 1/4	15 1/4	15 1/4		19433	Manit S	\$21 1/4	21 1/4		
6333	Alcan S	\$15 1/4	15 1/4	15 1/4		19434	Manit S	\$21 1/4	21 1/4		
6334	Alcan S	\$15 1/4	15 1/4	15 1/4		19435	Manit S	\$21 1/4	21 1/4		
6335	Alcan S	\$15 1/4	15 1/4	15 1/4		19436	Manit S	\$21 1/4	21 1/4		
6336	Alcan S	\$15 1/4	15 1/4	15 1/4		19437	Manit S	\$21 1/4	21 1/4		
6337	Alcan S	\$15 1/4	15 1/4	15 1/4		19438	Manit S	\$21 1/4	21 1/4		
6338	Alcan S	\$15 1/4	15 1/4	15 1/4		19439	Manit S	\$21 1/4	21 1/4		
6339	Alcan S	\$15 1/4	15 1/4	15 1/4		19440	Manit S	\$21 1/4	21 1/4		
6340	Alcan S	\$15 1/4	15 1/4	15 1/4		19441	Manit S	\$21 1/4	21 1/4		
6341	Alcan S	\$15 1/4	15 1/4	15 1/4		19442	Manit S	\$21 1/4	21 1/4		
6342	Alcan S	\$15 1/4	15 1/4	15 1/4		19443	Manit S	\$21 1/4	21 1/4		
6343	Alcan S	\$15 1/4	15 1/4	15 1/4		19444	Manit S	\$21 1/4	21 1/4		
6344	Alcan S	\$15 1/4	15 1/4	15 1/4		19445	Manit S	\$21 1/4	21 1/4		
6345	Alcan S	\$15 1/4	15 1/4	15 1/4		19446	Manit S	\$21 1/4	21 1/4		
6346	Alcan S	\$15 1/4	15 1/4	15 1/4		19447	Manit S	\$21 1/4	21 1/4		
6347	Alcan S	\$15 1/4	15 1/4	15 1/4		19448	Manit S	\$21 1/4	21 1/4		
6348	Alcan S	\$15 1/4	15 1/4	15 1/4		19449	Manit S	\$21 1/4	21 1/4		
6349	Alcan S	\$15 1/4	15 1/4	15 1/4		19450	Manit S	\$21 1/4	21 1/4		
6350	Alcan S	\$15 1/4	15 1/4	15 1/4		19451	Manit S	\$21 1/4	21 1/4		
6351	Alcan S	\$15 1/4	15 1/4	15 1/4		19452	Manit S	\$21 1/4	21 1/4		
6352	Alcan S	\$15 1/4	15 1/4	15 1/4		19453	Manit S	\$21 1/4	21 1/4		
6353	Alcan S	\$15 1/4	15 1/4	15 1/4		19454	Manit S	\$21 1/4	21 1/4		
6354	Alcan S	\$15 1/4	15 1/4	15 1/4		19455	Manit S	\$21 1/4	21 1/4		
6355	Alcan S	\$15 1/4	15 1/4	15 1/4		19456	Manit S	\$21 1/4	21 1/4		
6356	Alcan S	\$15 1/4	15 1/4	15 1/4		19457	Manit S	\$21 1/4	21 1/4		
6357	Alcan S	\$15 1/4	15 1/4	15 1/4		19458	Manit S	\$21 1/4	21 1/4		
6358	Alcan S	\$15 1/4	15 1/4	15 1/4		19459	Manit S	\$21 1/4	21 1/4		
6359	Alcan S	\$15 1/4	15 1/4	15 1/4		19460	Manit S	\$21 1/4	21 1/4		
6360	Alcan S	\$15 1/4	15 1/4	15 1/4		19461	Manit S	\$21 1/4	21 1/4		
6361	Alcan S	\$15 1/4	15 1/4	15 1/4		19462	Manit S	\$21 1/4	21 1/4		
6362	Alcan S	\$15 1/4	15 1/4	15 1/4		19463	Manit S	\$21 1/4	21 1/4		
6363	Alcan S	\$15 1/4	15 1/4	15 1/4		19464	Manit S	\$21 1/4	21 1/4		
6364	Alcan S	\$15 1/4	15 1/4	15 1/4		19465	Manit S	\$21 1/4	21 1/4		
6365	Alcan S	\$15 1/4	15 1/4	15 1/4		19466	Manit S	\$21 1/4	21 1/4		
6366	Alcan S	\$15 1/4	15 1/4	15 1/4		19467	Manit S	\$21 1/4	21 1/4		
6367	Alcan S	\$15 1/4	15 1/4	15 1/4		19468	Manit S	\$21 1/4	21 1/4		
6368	Alcan S	\$15 1/4	15 1/4	15 1/4		19469	Manit S	\$21 1/4	21 1/4		
6369	Alcan S	\$15 1/4	15 1/4	15 1/4		19470	Manit S	\$21 1/4	21 1/4		
6370	Alcan S	\$15 1/4	15 1/4	15 1/4		19471	Manit S	\$21 1/4	21 1/4		
6371	Alcan S	\$15 1/4	15 1/4	15 1/4		19472	Manit S	\$21 1/4	21 1/4		
6372	Alcan S	\$15 1/4	15 1/4	15 1/4		19473	Manit S	\$21 1/4	21 1/4		
6373	Alcan S	\$15 1/4	15 1/4	15 1/4		19474	Manit S	\$21 1/4	21 1/4		
6374	Alcan S	\$15 1/4	15 1/4	15 1/4		19475	Manit S	\$21 1/4	21 1/4		
6375	Alcan S	\$15 1/4	15 1/4	15 1/4		19476	Manit S	\$21 1/4	21 1/4		
6376	Alcan S	\$15 1/4	15 1/4	15 1/4		19477	Manit S	\$21 1/4	21 1/4		
6377	Alcan S	\$15 1/4	15 1/4	15 1/4		19478	Manit S	\$21 1/4	21 1/4		
6378	Alcan S	\$15 1/4	15 1/4	15 1/4		19479	Manit S	\$21 1/4	21 1/4		
6379	Alcan S	\$15 1/4	15 1/4	15 1/4		19480	Manit S	\$21 1/4	21 1/4		
6380	Alcan S	\$15 1/4	15 1/4	15 1/4		19481	Manit S	\$21 1/4	21 1/4		
6381	Alcan S	\$15 1/4	15 1/4	15 1/4		19482	Manit S	\$21 1/4	21 1/4		
6382	Alcan S	\$15 1/4	15 1/4	15 1/4		19483	Manit S	\$21 1/4	21 1/4		
6383	Alcan S	\$15 1/4	15 1/4	15 1/4		19484	Manit S	\$21 1/4	21 1/4		
6384	Alcan S	\$15 1/4	15 1/4	15 1/4		19485	Manit S	\$21 1/4	21 1/4		
6385	Alcan S	\$15 1/4	15 1/4	15 1/4		19486	Manit S	\$21 1/4	21 1/4		
6386	Alcan S	\$15 1/4	15 1/4	15 1/4		19487	Manit S	\$21 1/4	21 1/4		
6387	Alcan S	\$15 1/4	15 1/4	15 1/4		19488	Manit S	\$21 1/4	21 1/4		
6388	Alcan S	\$15 1/4	15 1/4	15 1/4		19489	Manit S	\$21 1/4	21 1/4		
6389	Alcan S	\$15 1/4	15 1/4	15 1/4		19490	Manit S	\$21 1/4	21 1/4		
6390	Alcan S	\$15 1/4	15 1/4	15 1/4		19491	Manit S	\$21 1/4	21 1/4		
6391	Alcan S	\$15 1/4	15 1/4	15 1/4		19492	Manit S	\$21 1/4	21 1/4		
6392	Alcan S	\$15 1/4	15 1/4	15 1/4		19493	Manit S	\$21 1/4	21 1/4		
6393	Alcan S	\$15 1/4	15 1/4	15 1/4		19494	Manit S	\$21 1/4	21 1/4		
6394	Alcan S	\$15 1/4	15 1/4	15 1/4		19495	Manit S	\$21 1/4	21 1/4		
6395	Alcan S	\$15 1/4	15 1/4	15 1/4		19496	Manit S	\$21 1/4	21 1/4		
6396	Alcan S	\$15 1/4	15 1/4	15 1/4		19497	Manit S	\$21 1/4	21 1/4		
6397	Alcan S	\$15 1/4	15 1/4	15 1/4		19498	Manit S	\$21 1/4	21 1/4		
6398	Alcan S	\$15 1/4	15 1/4	15 1/4		19499	Manit S	\$21 1/4	21 1/4		
6399	Alcan S	\$15 1/4	15 1/4	15 1/4		19500	Manit S	\$21 1/4	21 1/4		
6400	Alcan S	\$15 1/4	15 1/4	15 1/4		19501	Manit S	\$21 1/4	21 1/4		
6401	Alcan S	\$15 1/4	15 1/4	15 1/4		19502	Manit S	\$21 1/4	21 1/4		
6402	Alcan S	\$15 1/4	15 1/4	15 1/4		19503	Manit S	\$21 1/4	21 1/4		
6403	Alcan S	\$15 1/4	15 1/4	15 1/4		19504	Manit S	\$21 1/4	21 1/4		
6404	Alcan S	\$15 1/4	15 1/4	15 1/4		19505	Manit S	\$21 1/4	21 1/4		
6405	Alcan S	\$15 1/4	15 1/4	15 1/4		19506	Manit S	\$21 1/4	21 1/4		
6406	Alcan S	\$15 1/4	15 1/4	15 1/4		19507	Manit S	\$21 1/4	21 1/4		
6407	Alcan S	\$15 1/4	15 1/4	15 1/4		19508	Manit S	\$21 1/4	21 1/4		
6408	Alcan S	\$15 1/4	15 1/4	15 1/4		19509	Manit S	\$21 1/4	21 1/4		
6409	Alcan S	\$15 1/4	15 1/4	15 1/4		19510	Manit S	\$21 1/4	21 1/4		
6410	Alcan S	\$15 1/4	15 1/4	15 1/4		19511	Manit S	\$21 1/4	21 1/4		
6411	Alcan S	\$15 1/4	15 1/4	15 1/4		19512	Manit S	\$21 1/4	21 1/4		
6412	Alcan S	\$15 1/4	15 1/4	15 1/4		19513	Manit S	\$21 1/4	21 1/4		
6413	Alcan S	\$15 1/4	15 1/4	15 1/4		19514	Manit S	\$21 1/4	21 1/4		
6414	Alcan S	\$15 1/4	15 1/4	15 1/4		19515	Manit S	\$21 1/4	21 1/4		
6415	Al										

[illegible]

## FAR MORE THAN FINANCE



**4 pm close May 20**

GET YOUR  
COPENHAGEN

Continued on next page



1983  
High Low Stock

Oil	Yld. %	P/E	S&P 100s	High	Low	Close Quota	Change Prev. Close
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[illegible]

1983		Vol.		P	Stk	Cm		20/90
High	Low	Dls	%	E	100s	High	Low	Prct. Close

[illegible]

Yield		P		S		C		C	
High	Low	Yield	P	S	High	Low	Yield	P	C
12	10	10	15	15	15	15	15	15	15
12	10	10	15	15	15	15	15	15	15

12	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
12	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
12	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
12	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
12	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
12	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
12	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
12	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
12	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
12	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
12	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
12	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
12	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
12	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
12	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
12	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
12	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
12	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
12	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
12	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
12	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
12	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
12	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
12	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
12	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
12	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
12	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
12	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
12	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80																				

Stock	Pf	Div	Div	High	Low	Last	Clng	Stock	Div
	Div	E	100s						
AMERGRAND	0.32	17	522	191 1/2	19	18		AMERGRAND	

[illegible]

P/	Stk						P/	Stk					
E	100s	High	Low	Last	Chng		Stk	Dir.	E	100s	High	Low	Last
30	1850	18 3/4	16	10 1/2	- 3/4		Jones Med	0.08	21	1425	109 1/2	82	

[illegible]

	Last	Cling	Stock	P/E	S/S	Div.	E	1986	HQ's	Low	Last	Cling
10	9	+5	Power	10	180	9	6 $\frac{1}{2}$	81 $\frac{1}{2}$	.5			

[illegible]

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## AMEX COMPOSITE PRICES

Stock	P/E	S/S	Div.	High	Low	Close	Chg.	Stock	P/E	S/S	Div.
Am. Corp.	8	14	3 3/4	63 1/2	3 3/4	+1 1/2	Crut. FuA	0.81			
Expr.	0.14	12	248	20	18 3/4	19 1/2	Cosmo	0.30	13		
		3	155	1 1/2	1 1/2	1 1/2	Commerc		21		

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	2101	2102	2103	2104	2105	2106	2107	2108	2109	2110	2111	2112	2113	2114	2115	2116	2117	2118	2119	2120	2121	2122	2123	2124	2125	2126	2127	2128	2129	2130	2131	2132	2133	2134	2135	2136	2137	2138	2139	2140	2141	2142	2143	2144	2145	2146	2147	2148	2149	2150	2151	2152	2153	2154	2155	2156	2157	2158	2159	2160	2161	2162	2163	2164	2165	2166	2167	2168	2169	2170	2171	2172	2173	2174	2175	2176	2177	2178	2179	2180	2181	2182	2183	2184	2185	2186	2187	2188	2189	2190	2191	2192	2193	2194	2195	2196	2197	2198	2199	2200	2201	2202	2203	2204	2205	2206	2207	2208	2209	2210	2211	2212	2213	2214	2215	2216	2217	2218	2219	2220	2221	2222	2223	2224	2225	2226	2227	2228	2229	2230	2231	2232	2233	2234	2235	2236	2237	2238	2239	2240	2241	2242	2243	2244	2245	2246	2247	2248	2249	2250	2251	2252	2253	2254	2255	2256	2257	2258	2259	2260	2261	2262	2263	2264	2265	2266	2267	2268	2269	2270	2271	2272	2273	2274	2275	2276	2277	2278	2279	2280	2281	2282	2283	2284	2285	2286	2287	2288	2289	2290	2291	2292	2293	2294	2295	2296	2297	2298	2299	2300	2301	2302	2303	2304	2305	2306	2307	2308	2309	2310	2311	2312	2313	2314	2315	2316	2317	2318	2319	2320	2321	2322	2323	2324	2325	2326	2327	2328	2329	2330	2331	2332	2333	2334	2335	2336	2337	2338	2339	2340	2341	2342	2343	2344	2345	2346	2347	2348	2349	2350	2351	2352	2353	2354	2355	2356	2357	2358	2359	2360	2361	2362	2363	2364	2365	2366	2367	2368	2369	2370	2371	2372	2373	2374	2375	2376	2377	2378	2379	2380	2381	2382	2383	2384	2385	2386	2387	2388	2389	2390	2391	2392	2393	2394	2395	2396	2397	2398	2399	2400	2401	2402	2403	2404	2405	2406	2407	2408	2409	2410	2411	2412	2413	2414	2415	2416	2417	2418	2419	2420	2421	2422	2423	2424	2425	2426	2427	2428	2429	2430	2431	2432	2433	2434	2435	2436	2437	2438	2439	2440	2441	2442	2443	2444	2445	2446	2447	2448	2449	2450	2451	2452	2453	2454	2455	2456	2457	2458	2459	2460	2461	2462	2463	2464	2465	2466	2467	2468	2469	2470	2471	2472	2473	2474	2475	2476	2477	2478	2479	2480	2481	2482	2483	2484	2485	2486	2487	2488	2489	2490	2491	2492	2493	2494	2495	2496	2497	2498	2499	2500	2501	2502	2503	2504	2505	2506	2507	2508	2509	2510	2511	2512	2513	2514	2515	2516	2517	2518	2519	2520	2521	2522	2523	2524	2525	2526	2527	2528	2529	2530	2531	2532	2533	2534	2535	2536	2537	2538	2539	2540	2541	2542	2543	2544	2545	2546	2547	2548	2549	2550	2551	2552	2553	2554	2555	2556	2557	2558	2559	2560	2561	2562	2563	2564	2565	2566	2567	2568	2569	2570	2571	2572	2573	2574	2575	2576	2577	2578	2579	2580	2581	2582	2583	2584	2585	2586	2587	2588	2589	2590	2591	2592	2593	2594	2595	2596	2597	2598	2599	2600	2601	2602	2603	2604	2605	2606	2607	2608	2609	2610	2611	2612	2613	2614	2615	2616	2617	2618	2619	2620	2621	2622	2623	2624	2625	2626	2627	2628	2629	2630	2631	2632	2633	2634	2635	2636	2637	2638	2639	2640	2641	2642	2643	2644	2645	2646	2647	2648	2649	2650	2651	2652	2653	2654	2655	2656	2657	2658	2659	2660	2661	2662	2663	2664	2665	2666	2667	2668	2669	2670	2671	2672	2673	2674	2675	2676	2677	2678	2679	2680	2681	2682	2683	2684	2685	2686	2687	2688	2689	2690	2691	2692	2693	2694	2695	2696	2697	2698	2699	2700	2701	2702	2703	2704	2705	2706	2707	2708	2709	2710	2711	2712	2713	2714	2715	2716	2717	2718	2719	2720	2721	2722	2723	2724	2725	2726	2727	2728	2729	2730	2731	2732	2733	2734	2735	2736	2737	2738	2739	2740	2741	2742	2743	2744	2745	2746	2747	2748	2749	2750	2751	2752	2753	2754	2755	2756	2757	2758	2759	2760	2761	2762	2763	2764	2765	2766	2767	2768	2769	2770	2771	2772	2773	2774	2775	2776	2777	2778	2779	2780	2781	2782	2783	2784	2785	2786	2787	2788	2789	2790	2791	2792	2793	2794	2795	2796	2797	2798	2799	2800	2801	2802	2803	2804	2805	2806	2807	2808	2809	2810	2811	2812	2813	2814	2815	2816	2817	2818	2819	2820	2821	2822	2823	2824	2825	2826	2827	2828	2829	2830	2831	2832	2833	2834	2835	2836	2837	2838	2839	2840	2841	2842	2843	2844	2845	2846	2847	2848	2849	2850	2851	2852	2853	2854	2855	2856	2857	2858	2859	2860	2861	2862	2863	2864	2865	2866	2867	2868	2869	2870	2871	2872	2873	2874	2875	2876	2877	2878	2879	2880	2881	2882	2883	2884	2885	2886	2887	2888	2889	2890	2891	2892	2893	2894	2895	2896	2897	2898	2899	2900	2901	2902	2903	2904	2905	2906	2907	2908	2909	2910	2911	2912	2913	2914	2915	2916	2917	2918	2919	2920	2921	2922	2923	2924	2925	2926	2927	2928	2929	2930	2931	2932	2933	2934	2935	2936	2937	2938	2939	2940	2941	2942	2943	2944	2945	2946	2947	2948	2949	2950	2951	2952	2953	2954	2955	2956	2957	2958	2959	2960	2961	2962	2963	2964	2965	2966	2967	2968	2969	2970	2971	2972	2973	2974	2975	2976	2977	2978	2979	2980	2981	2982	2983	2984	2985	2986	2987	2988	2989	2990	2991	2992	2993	2994	2995	2996	2997	2998	2999	3000
1995	0.52	11	30	39	35	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	30	3																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																					

Stk.	High	Low	Close	Change	Stock	P/	Stk	High	Low
100s						Div.	E 100s		
751	5	4 1/2	4 3/4		Health Ch	0	60	3 1/2	3 1/2
103	12 1/2	12 1/4	12 1/2		Highland	2	25	2 1/4	2 1/4
18	1 1/4	1 1/4	1 1/4		Mexico Co	0.15	28 1/100	10 1/4	10 1/4

16	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
16	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
16	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
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Clean Change	Stock	Div.	E	100s	High	Low	Close	Change
3 1/2	Optics A	87	20	6 1/4	6 1/4	6 1/4		
2 1/4	O'Brien x	0.24	26	855	23 1/4	23 1/4	23 1/4	- 1/8
10 1/4	Papacost B	0.10	65	4034	22 1/4	21 1/4	21 1/4	- 5/8

19	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100																						
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Union Inc.	0.54168	22	64 <sup>3</sup> / <sub>8</sub>	84	64 <sup>3</sup> / <sub>8</sub>	+ <sup>3</sup> / <sub>8</sub>	Harding A	21
Monroe	2	5	4 <sup>1</sup> / <sub>2</sub>	3 <sup>3</sup> / <sub>8</sub>	4	+ <sup>1</sup> / <sub>2</sub>	Harleyway	0.06 18
Cardinal	0.18 18	603	29 <sup>1</sup> / <sub>2</sub>	28 <sup>1</sup> / <sub>2</sub>	29	+ <sup>1</sup> / <sub>2</sub>	Harper Gp	0.20 90
Union Carb	0.78 21	17	22 <sup>3</sup> / <sub>8</sub>	22 <sup>3</sup> / <sub>8</sub>	22 <sup>1</sup> / <sub>2</sub>	- <sup>1</sup> / <sub>8</sub>	HBO & Co	0.30 25
Cascade X	0.60 15	15	20 <sup>1</sup> / <sub>2</sub>	18 <sup>1</sup> / <sub>2</sub>	18 <sup>1</sup> / <sub>2</sub>	-		

[illegible]

78	8 <sup>1</sup> / <sub>2</sub>	8	9	-2	Reis Sun	0.421	27	48	10	9-2
61	30	29	29		Navigators		13	41	35	33-3
91	15 <sup>1</sup> / <sub>4</sub>	14 <sup>1</sup> / <sub>2</sub>	15 <sup>1</sup> / <sub>4</sub>	+3 <sup>1</sup> / <sub>4</sub>	NEC	0.42127	14	48	45	3-4
2133	23 <sup>1</sup> / <sub>4</sub>	22 <sup>5</sup> / <sub>8</sub>	23 <sup>1</sup> / <sub>2</sub>	+3 <sup>1</sup> / <sub>4</sub>	Nelcor		18	1318	24	23
					Nehru Gen		18	1325	01 <sup>1</sup> / <sub>2</sub>	9-2
					Nehru Sun		7	1431	02 <sup>1</sup> / <sub>2</sub>	8-1

435	7	8	6	6	5	4	+	
436	7	8	6	6	5	4	+	
437	7	8	6	6	5	4	+	
438	7	8	6	6	5	4	+	
439	7	8	6	6	5	4	+	
440	7	8	6	6	5	4	+	
441	7	8	6	6	5	4	+	
442	7	8	6	6	5	4	+	
443	7	8	6	6	5	4	+	
444	7	8	6	6	5	4	+	
445	7	8	6	6	5	4	+	
446	7	8	6	6	5	4	+	
447	7	8	6	6	5	4	+	
448	7	8	6	6	5	4	+	
449	7	8	6	6	5	4	+	
450	7	8	6	6	5	4	+	
451	7	8	6	6	5	4	+	
452	7	8	6	6	5	4	+	
453	7	8	6	6	5	4	+	
454	7	8	6	6	5	4	+	
455	7	8	6	6	5	4	+	
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## AMERICA

## Equities settle after record breaking romp

## Wall Street

EQUITIES settled into a narrow trading range yesterday after Wednesday's wild swings, which sent blue chips to record highs, writes Patrick Harverson in New York.

At 1 pm, the Dow Jones Industrial Average was down 1.11 at 3,498.92. The more broadly based Standard & Poor's 500 was up 0.84 at 448.21, while the Amex composite was 1.66 firmer at 431.53. The Nasdaq composite outshone the other indices, gaining 5.90 at 585.33. NYSE volume was 162m shares by 1 pm.

The volatility and confusion of Wednesday - when an early 30-point decline in the Dow was turned into a record-breaking 55-point romp in the wake of a bond market rally and a

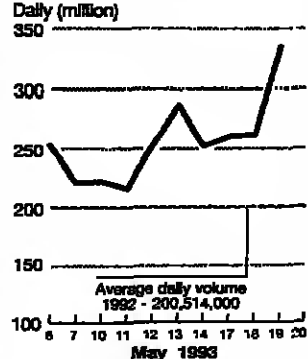
SAO PAULO rose 5.6 per cent in heavy midday trade with investors remaining optimistic after the former foreign minister, Mr Fernando Henrique Cardoso, was named as economy minister. The Bovespa index at 1 pm was 1,695 ahead at 31,571.

sudden dip in gold prices - gave way to calm and contemplation yesterday morning.

In spite of the new index highs, investors remained uncertain about the outlook, although in the first few minutes of trading it looked as if stocks were heading yet again into record territory. An early 14-point gain, however, quickly disappeared as the institutional buying that opened the day petered out.

The day's economic news was not helpful. State unemployment claims rose by 7,000 during the second week of May, a bigger increase than analysts had been expecting. News of a decline in the Philadelphia Federal Reserve's index of local business activity also raised fresh concern about the state of the economy.

## NYSE volume



Among individual stocks, some of the market's recent leaders ran into profit-taking. Hewlett-Packard, which was in great demand following good earnings news early in the week, fell back 8 1/2% to \$85. AT & T, which was at the forefront of the rally on Wednesday, dropped 5 1/2% to \$59.

Other leading issues, however, built on their gains. Walt Disney added another \$1 at \$43 1/2 and McDonald's put on \$4 at \$50. Gold stocks, which ran into heavy selling on Wednesday, were also firmer following a small rebound in the gold price. Homestake Mining put on \$4 at \$17 1/2, Battle Mountain Gold \$4 at \$8 1/2 and Newmont Mining \$4 at \$50 1/2.

Citicorp rose 3/4% to \$29 in volume of 2.4m shares on the news that Mr Chris Steffen, former chief financial officer of Eastern Kodak, is joining the bank's management team.

## Canada

TORONTO firmed in brisk midday dealings as investors returned to the market, encouraged by an Ontario budget which will attack the province's deficit. The TSE 300 index rose 11.14 to 3,823.43, in turnover of 41.4m shares valued at C\$276.93m. Canada's two major debt-rating agencies said that they are still reviewing the province's finances.

## Wall Street triumphs over its fear of inflation

Patrick Harverson reports on the abrupt shift of sentiment that took the US market to new highs

Confusion, uncertainty, rumour and a touch of hysteria reign on Wall Street this week.

There is confusion and uncertainty about where stocks, bonds, gold prices and the economy are heading. There are wild rumours about what well-known investment managers are doing with their money. And there has been a burst of hysteria about inflation and monetary policy.

In spite of all this, US stock markets have managed to rise to record highs. On Wednesday, the Dow Jones Industrial Average jumped 55.64 to 3,500.03, an impressive recovery from a morning which had seen it 30 points down.

The Standard & Poor's 500 index moved to within 10 points of its all-time peak. Other market indices also approached, or broke through, their records, in some of the heaviest trading ever seen on Wall Street.

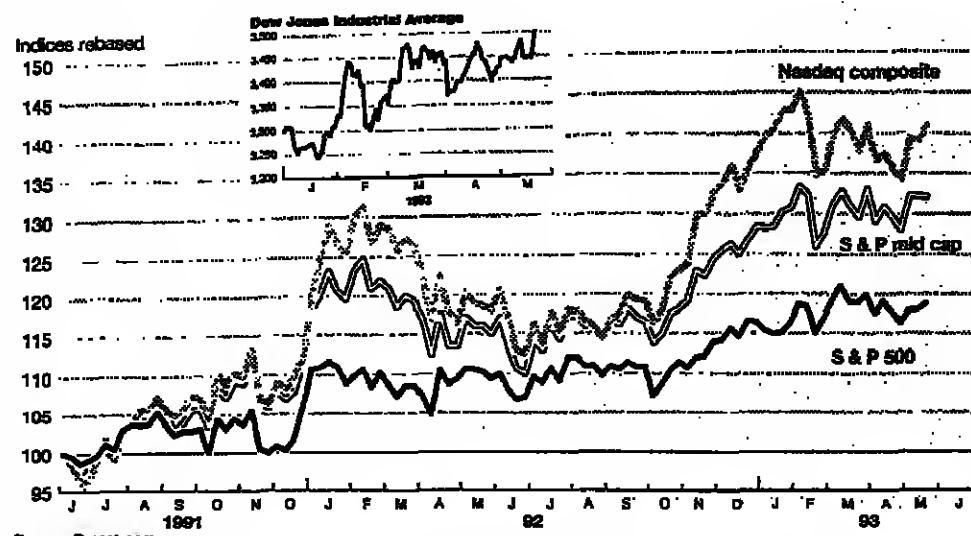
The week opened with investors in a gloomy mood, fearful that recent news of rising consumer, producer and commodity prices heralded the return of higher inflation. The resurgence in the price of gold, a traditional inflation hedge, had reinforced those fears.

The same worries had already undermined bond prices, sending the yield on the benchmark 30-year government bond back above 7 per cent for the first time in more than a month. This made equity investors even more nervous, because rising bond yields make stocks look less attractive.

Both the stock and bond markets fretted that signs of revived inflation might prompt the Federal Reserve to raise interest rates. The fretting reached a peak this week because the Fed's open market committee was meeting to review monetary policy. Fears that the open market committee would put up short-term interest rates to head off a rise in prices.

When the committee meeting ended with no apparent change of policy, the markets' mood suddenly brightened. Simultaneously, gold prices were hit by profit-taking and dropped almost \$10 from their Wednesday morning high of \$383 an ounce. The stage was set for a sharp reversal of market sentiment.

As Mr Richard Hoey, chief economist at fund group Dreyfus, explained: "What we saw was a popping of the bubble of



hysteria about accelerating inflation." He believed that stock market and bond market investors had "built up a negative psychology based upon bad inflation numbers, the rising gold price and falling bonds". It was a fragile psychology which crumbled easily.

First, bond prices rallied, bringing the yield on three-year treasuries down from 7.07 per cent to 6.97 per cent. Then stocks turned upwards, heading to new highs.

Rumours abounded. During the afternoon Mr George Soros, the well-known investor who had helped spark the rally in gold, was rumoured to be switching back out of the metal into bonds. Then word spread that Fidelity Investments' huge Magellan fund had started to pour money into stocks in anticipation of a big market rally. Neither rumour was true, but they contributed to Wednesday's frenzy.

The most recent survey of market sentiment had shown that investment advisers were more bearish about the market's outlook than at any time since October 1990. To the professional investors, this was an indication that the bears had exhausted their selling, and a sign that the market was ripe for a rally. Many immediately began buying stocks.

Although the buying quickly petered out yesterday - at midday, bond and equity prices

## ASIA PACIFIC

## Rumours spur Hong Kong rally as Nikkei wavers

## Tokyo

EQUITIES settled lower as weakness in futures and small lot sales eased earlier gains in light volume. But the nation's revised industrial output data for March encouraged a minor rally in late trading, lifting the Nikkei average off its intraday low, writes Wayne Aponte in Tokyo.

The Nikkei ended 50.40 easier at 20,330.39, after moving between 20,122.78 and 20,435.79. The Topix index of all first-section stocks lost 3.63 at 1,594.33. In London the ISE/Nikkei 50 index put on 1.39 at 1,228.26.

Volume contracted to 350m shares from Wednesday's 397m and falls led rises by 611 to

386, with 173 issues unchanged.

Brokers said Japan's revised output growth rate for March of 2.5 per cent, up from 1.5 per cent, suggested that the domestic economy is improving and encouraged some investors to buy back futures contracts during the afternoon session. This, ultimately, aided the cash market.

However, the day's lower level of trading activity left the Nikkei susceptible to waves of arbitrage-related sales, which put pressure on many large-capital issues, brokers added.

Technical analysts predict that the market's weakness will pull equities lower in the short term. Without government support through public fund purchases, it is likely that

the Nikkei would trade closer to 19,500, they said.

Retreating gold prices in overnight trading prompted investors to take early profits from Samitomo Metal Mining, the recent market leader. It ended Y40 lower at Y1,120. Mitsui Mining and Smelting eased Y8 to Y50.

An appreciation of the yen against the dollar lifted regional power suppliers. Kyushu Electric Power rose Y60 to Y2,940 and Chubu Electric Power Y40 to Y2,920.

Individual investors continued to support companies with good earnings results. Alwa, the Japanese audio maker, climbed Y120 to Y1,490 on better-than-expected earnings. Some shipbuilding issues

moved higher after figures from Namura Shipbuilding, Y10 up at Y1,270. Sasebo Heavy Industries gained Y38 at Y794. In Osaka the OSE average dipped 27.76 to 22,552.98 in volume of 17m shares.

## Roundup

PACIFIC Rim markets put in a mostly firm performance.

HONG KONG turned higher after rumours, later denied, of a resumption soon of meetings of the Sino-British Joint Liaison Group on handling over Hong Kong to China in 1997.

Institutional bargain hunting helped the Hang Seng index to advance 25.08 to 7,113.96 in turnover down to HK\$4.28bn from Wednesday's HK\$5.43bn.

SYDNEY felt the effects of positive results in the banking sector and the All Ordinaries index ended 1.6 up at 1,684.2 in turnover of A\$368.7m.

National Australia Bank added 24 cents at A\$9.46 after announcing profits at the top end of expectations. Westpac Banking, which reported an A\$204.6m interim loss, held steady at A\$3.61.

SINGAPORE retreated for the second consecutive session, with the market failing to maintain record intraday highs set in early trade. The Straits Times Industrial index eased 0.21 to 1,376.40, having peaked earlier at an intraday record of 1,383.25.

Turnover was a record S\$947.46m, beating the previous high of S\$740.65m seen on April 15, with continued heavy demand for Malaysian shares.

KUALA LUMPUR extended its record-setting run, posting gains for the fifth consecutive day. The composite index added 5.68 at 735.11.

NEW ZEALAND finished fractionally below its high for the year in active trade, the NZSE-40 capital index gaining 11.54 at 1,627.45.

Telecom put on 7 cents at NZ\$3.02 - its highest ever close - in volume of more than 3.5m shares, in continued reaction to Tuesday's results.

TAIWAN fell 2.3 per cent as a wave of late selling left the weighted index 99.91 lower at 4,336.63. Turnover remained thin at T\$25.07bn.

## EUROPE

## Bourses fail to match Eurotrack response

CONTINENTAL shares quoted in London offered a positive response as Wall Street held its overnight gains, the Eurotrack 100 ending nearly a percentage point ahead in the post-bourse.

Where they were open on Ascension day, as in Milan and Madrid, senior bourses seemed more subdued, writes Our Markets Staff.

MILAN remained at a 21-month high, the Comit index adding 0.68 to 559.17 in strong turnover, on continued expectations of lower interest rates.

Mr Fabio Ferrando of Albertini in Milan believed that, given the continuing strength of the lira, a half-point cut in the discount rate was likely to follow swiftly on the heels of agreement on a supplementary budget, expected today.

Over the medium term, he thought that further reductions might be expected when agreements are reached on labour reform and on the shape of the 1994 budget, which is due at the end of July. Olivetti continued ahead, after the launch of its rights issue on Monday. The shares

## FT-SE Actuaries Share Indices

May 20	May 19	May 18	May 17	May 16	May 15	May 14	May 13
FT-SE 100	1154.86	1154.50	1153.93	1153.55	1153.21	1152.80	1152.40
FT-SE 250	1216.91	1216.20	1215.51	1215.00	1214.71	1214.37	1213.92

May 18	May 17	May 16	May 15	May 14	May 13
FT-SE 100	1147.97	1152.98	1146.07	1148.21	1155.16
FT-SE 250	1212.27	1217.75	1214.06	1212.97	1219.59

Best rise 1991-1992: 100 - 1154.86; 250 - 1221.21. Worst: 100 - 1153.55; 250 - 1216.91.

almost half of which was attributed to block trades by brokers. Asesores Bursátiles.

WARSAW shot up again. Of 17 stocks listed on the main market, 14 hit new highs and the WIG index rose 25.41 or 9.2 per cent to 3,002.9, its sixth record high in two weeks. Turnover was 345.8bn zloty.

Brokers said that the market was simply too small to soak up the sheer pressure of buying at the moment. Meanwhile, the state-owned EL AL Airlines said in New York that it expects to be privatised soon and has seen interest from financial investors in Israel and around the world.

ISTANBUL saw further prof-

it-taking which left the 75-share index 105.07 or 1.3 per cent lower at 7,919.59 and 5.15 per cent down from last Thursday's record high of 8,349.31.

Mrs Nur Pekin of Schroders in London noted that liquidity was being withdrawn from the market as advance income tax payments totalling TL3 trillion fell due this week and next. Activity was also slowing ahead of a week-long national holiday which begins on May 31 and amid rumours that the Public Participation Administration, which is responsible for Turkey's privatisation programme, was selling some of its holdings.

TEL AVIV managed a token recovery in thin trading after several days of losses, the Mishkan blue chip index closing 0.63 higher at 206.98 in turnover of Shk182m.

DUBLIN recovered its momentum, led higher by financial issues, with the central bank's cut in its short-term facility by 25 basis points to 8.25 per cent widely expected. The ISIQ overall index rose 4.4 to 1,328.85.

## FT-ACTUARIES WORLD INDICES

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NATIONAL AND REGIONAL MARKETS	WEDNESDAY MAY 19 1993	TUESDAY MAY 18 1993	DOLLAR INDEX
Figures in parentheses show number of lines of stock			
Australia (88)	133.05	127.97	92.93
Austria (15)	143.49	138.01	100.23
Belgium (42)	148.22	140.73	102.18
Canada (109)	127.57	122.68	88.10
Denmark (53)	220.30	211.88	103.86
Finland (23)	97.30	94.16	68.33
France (85)	150.95	145.18	105.43
Germany (82)	110.09	107.08	76.91
Hong Kong (58)	287.78	278.79	201.01
Ireland (15)	157.88	151.85	110.14
Italy (73)	72.38	72.4	50.56
Japan (69)	337.93	325.01	236.03
Malaysia (16)	150.24	145.00	103.48
Netherlands (24)	163.30	157.08	114.06
New Zealand (13)	43.24	43.49	33.77
Norway (22)	157.50	151.87	110.29
Portugal (1)	157.50	151.87	110.29
Singapore (38)	254.49	244.77	177.78
South Africa (80)	189.02	185.41	139.01
Spain (46)	125.88	123.74	89.87
Sweden (38)	75.96	75.96	122.51
Switzerland (55)	122.35	117.87	55.48
United Kingdom (218)	178.51	169.77	123.28
USA (519)	162.94	178.95	127.79
Europe (755)	144.22	138.71	100.74
Norway (114)	189.50	185.32	116.58
Pacific Basin (713)	147.16	141.56	102.81
Asia-Pacific (1478)	145.85	140.28	101.87
North America (628)	178.48	172.83	125.39
Europe Ex. UK (547)	124.31	121.88	88.85
Pacific Ex. Japan (243)	165.83	161.01	122.51
World Ex. US (1165)	146.51	141.01	102.41
World Ex. UK (196)	155.95	151.03	108.98
World Ex. So. Af. (2124)	157.82	151.60	111.11
World Ex. Japan (1714)	187.38	180.98	116.92
The World Index (2184)	157.80	151.77	110.23

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